

DAILY REPORT

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SOUTH KOREA REGRETS 8, 13 APR SHOOTING INCIDENTS

OW170845 Tokyo KYODO in English 0837 GMT 17 Apr 87

[Text] Tokyo, April 17 KYODO -- The South Korean Embassy in Tokyo Friday admitted to the Japanese Foreign Ministry that South Korea naval vessels fired upon Japanese fishing boats in waters off South Korea early this month.

The embassy told the ministry that the South Korean Government regrets the incidents and has taken necessary steps to prevent recurrence of similar mishaps.

Four Japanese fishing boats were fired upon by unidentified vessels on the open sea near 38 degree N., west of the Korean peninsula on two occasions, April 8 and 13.

ABE TO DELIVER LETTER FROM NAKASONE TO REAGAN

OW170339 Tokyo KYODO in English 0326 GMT 17 Apr 87

[Text] Tokyo, April 17 KYODO -- Prime Minister Yasuhiro Nakasone asked former Foreign Minister Shintaro Abe Friday to take his personal letter to U.S. President Ronald Reagan.

Abe called on Nakasone at the prime minister's official residence to report to the premier that he will leave Sunday for Washington for talks with U.S. officials on trade friction between the two nations.

Abe, who will go to the U.S. as Nakasone's special envoy, reportedly told the premier he would make an all-out effort to restore relations of mutual trust between Japan and the U.S.

Restraint Urged in Letter

OW161353 Tokyo KYODO in English 1348 GMT 16 Apr 87

[Text] Tokyo, April 16 KYODO -- Prime Minister Yasuhiro Nakasone has asked U.S. President Ronald Reagan to refrain from imposing penalty tariffs on Japanese electronic and other products in retaliation for Japan's alleged violation of a bilateral semiconductor trade agreement.

The request was made in a letter sent from Nakasone to Reagan Wednesday, a senior official at the Foreign Ministry said Thursday.

The Economic Policy Council, a White House cabinet-level panel, formalized Wednesday the list of Japanese products subject to 100 percent import duties. The list is expected to include monochrome and color TV sets, computer-linked devices, power tools and photographic films, according to informed sources.

President Reagan is scheduled to sign an executive order to set the retaliatory action in motion Friday.

PRC'S WANG ZHEN ASKS NAKASONE TO SWAY DORM CASE

OW170553 Tokyo KYODO in English 0536 GMT 17 Apr 87k

[Text] Tokyo, April 17 KYODO -- Wang Zhen, vice chairman of the Chinese Communist Party's Central Advisory Commission, urged the Japanese Government Friday to exert influence over a Japanese court that ruled in favor of Taiwan in the disputed ownership of a student dormitory in Japan, a Foreign Ministry official said.

Wang made the request when his 22-member delegation, here since Wednesday at the invitation of the Japan-China Friendship Association, met with Prime Minister Yasuhiro Nakasone.

Last February, the Osaka High Court ruled that the Koka-Ryo student dormitory in Kyoto, which Taiwan purchased in 1952 From Kyoto University, belongs to Taiwan.

China claims ownership to the dormitory due to a shift in Japan's diplomatic relations from Taipei to Beijing in 1972, and that the court ruling violates the 1972 Japan-China joint statement which says Taiwan is a part of the People's Republic of China.

Wang said the dispute is a political issue which should not be decided in a civil court.

Nakasone said that Japan has separation of administrative, legislative and judiciary powers which limits the government's influence over the court ruling.

The premier added that Japan has no intention of recognizing "two Chinas," and it respects the 1972 joint statement and bilateral friendship treaty.

Referring to the 15th anniversary of the normalisation of bilateral relations, Wang said he hoped Nakasone makes further efforts to promote friendship between the two countries and stability in Asia.

U.S. DEMANDING 'DRASTIC ACTION' ON FARM IMPORTS

OW170455 Tokyo KYODO in English 0445 GMT 17 Apr 87

[Text] Tokyo, April 17 KYODO -- The United States called on Japan Friday to lift import curbs on tomato juice and 11 other farm products and boost imports of beef and oranges, a senior Japanese official said.

U.S. Agriculture Secretary Richard Lyng made the request in a 90-minute meeting with Agriculture, Forestry and Fisheries Minister Mutsuki Kato, the official said.

Lyng pressed Japan to take "favorable action" to counter mounting protectionism on Capitol Hill where lawmakers are urging the Reagan Administration to take punitive steps against the Japanese, he said.

The Agriculture Secretary also told Kato the U.S. wants Japan to change its restrictive rice import policy and trim tariffs on other farm products, the official said after the meeting.

Kato and Lyng agreed to hold talks on the subjects again Monday with U.S. Trade Representative Clayton Yeutter in attendance.

Friday's meeting between Kato and Lyng was the latest in a series of sessions between Japanese and American officials before Prime Minister Yasuhiro Nakasone leaves here April 29 for talks with President Ronald Reagan and other U.S. leaders.

Officials of both countries said these meetings here are aimed at reducing the U.S. trade deficit with Japan, which climbed to a record 58.6 billion dollars last year.

During the session at the Agriculture Ministry, Lyng displayed big color panels of California rice, walnuts, tomato juice, New York steaks and oranges bearing attractive price tags to promote Japanese imports of U.S. agricultural produce.

One of the panels showed a New York steak with a 265 yen price tag per 100 grams. Another panel carried a 220 yen price label for six oranges.

Kato countered Lyng's promotional campaign with repeated assertions that Japan is one of the world's biggest importers of farm products and is improving access to the Japanese market, Japanese officials said after the meeting.

The Japanese minister also emphasized that Japan reduced its agricultural budget by 12 percent in 1980-86 while both the U.S. and the 12-nation European community increased their farm budgets by 69 percent and 94 percent during the same period.

But the U.S. agriculture secretary rejected Kato's arguments, saying his country does not understand Japan's farm policy.

Japanese officials said Lyng specifically urged Japan to lift import curbs on tomato juice, processed cheese, walnuts and nine other farm products.

A Japanese participant in the Kato-Lyng talks said, "the U.S. expects Japan to take drastic action" to promote farm imports.

Yeutter will join Kato and Lyng in the Monday meeting which Japanese officials said will cover new multilateral trade liberalization talks, upcoming meetings of the Organization for Economic Cooperation and Development (OECD) in Paris and leaders of the world's seven industrialized democracies in Venice as well as bilateral farm trade issues.

TSE MAY ACCEPT MORE FOREIGN FIRMS IN 1988

OW141021 Tokyo KYODO in English 1015 GMT 14 Apr 87

[Text] Tokyo, April 14 KYODO -- Tokyo Stock Exchange President Yoshio Takeuchi told visiting U.S. solons Tuesday that more foreign securities firms should be able to take part in tse stock dealing from may next year.

Sen. Jake Garn (R-Utah) and Rep. Charles E. Schumer (D-N.Y.) met Takeuchi and urged the TSE to open its membership "to as many American firms as possible."

Explaining there is a limit to the floor space available in the present TSE building, Takeuchi told them that the exchange would like to see more foreign firms get membership from may next year when the new exchange building is complete.

DPRK FOOTBALL ASSOCIATION ON FIFA'S DECISION

SK111600 Pyongyang KCNA in English 1530 GMT 11 Apr 87

[Text] Pyongyang April 11 (KCNA) -- The spokesman of the Football Association of the Democratic People's Republic of Korea in a press statement issued on April 11 says that we did not participate in the recent Asian regional football preliminaries for the 25th Olympic Games in accordance with the Olympic football rules that the host country of the Olympic Games is entitled to participate in the Olympic Games without playing in regional preliminaries.

The spokesman says this in a statement laying bare the unjustness of a decision of the emergency problem sub-committee of the International Federation of Association Football (FIFA) on March 27 to take "sanctions" against us because we did not participate in the regional football preliminaries for the Olympic Games.

He states:

The Lausanne talks held for three times have already reached an agreement to share the Olympic Games in the North and the South of Korea and discussed concrete business-like matters, such as the division of games, including football, the name of the games, the composition of the organising committee, etc.

But a complete agreement has not yet been reached and a final agreement should be reached at the forthcoming fourth Lausanne talks. Under such condition, if we participate in the Olympic football preliminaries, this will mean that we give up ourselves our proposal for cohosting the Olympic Games. This is why we did not apply for participation in the preliminaries.

When the matter of participation in the Olympic football preliminaries was raised last year, we sent letters twice to the FIFA and officially informed it of such stand of ours. And on January 19 and February 28 this year just before the opening of the football preliminaries in Malaysia we sent letters again to the FIFA and the Malaysian Football Association recalling that we have not applied for participation in the regional football preliminaries and we would not participate in the preliminaries for the realisation of the cohosting of the Olympic Games.

According to regulations for the 24th Olympic Games laid down by the FIFA, the national associations which hope to participate in the regional football preliminaries for the Olympics shall submit an application they received from the FIFA after filling it out and pay money for application to participate in the preliminaries.

As our association has not submitted an application for participation in the football preliminaries for the 24th Olympic Games and has not paid application fee to the FIFA, it is self-evident that we cannot be included in the composition of groups for the preliminaries, much less participation in the games.

Football is one of the sports events widely disseminated among and loved by our people.

Yet, we did not participate in the regional football preliminaries for the Olympics. This is because we desire to realise the cohosting of the 24th Olympic Games at any cost.

In the past period our association has always closely cooperated with the FIFA and shown all our sincerity for the development of football on an international scale.

In connection with the organisation of football preliminaries for the Olympic Games, too, we have maintained regular contact with the FIFA and clearly informed it of our stand taken in accordance with the rules.

We consider that the FIFA will also be unable to deny this.

The FIFA, therefore, should have examined the situation and met with us, the party concerned, before taking any step.

We cannot understand why the FIFA has taken unreasonable "sanctions" so hurriedly without any justification and cannot accept.

Our association hopes that the FIFA will set right the wrong situation and states that it is ready to render active cooperation for this.

TEXT OF KIM IL-SONG'S SIHANOUK GREETINGS MESSAGE

SK170738 Pyongyang Domestic Service in Korean 2300 GMT 16 Apr 87

[Text] The great leader Comrade Kim Il-song has sent a message of greetings to His Royal Highness Norodom Sihanouk, president of Democratic Kampuchea, on the national day of Democratic Kampuchea.

The message reads:

To Democratic Kampuchea

Your Royal Highness Norodom Sihanouk, president of Democratic Kampuchea:

In the name of the DPRK Government, the Korean people, and my own, I send the warmest congratulations to you and to the coalition government of Democratic Kampuchea and the Kampuchean people through you on the national day of Democratic Kampuchea led by you, are actively striving to build a unified, independent, territorially integrated, peaceful, neutral, and nonaligned Kampuchea, tiding over many difficulties.

I take this opportunity to heartily wish you greater success in your noble patriotic work, believing that the friendly and cooperative relations between the peoples of our two countries will grow stronger and develop.

[Signed] Kim Il-song, president of the DPRK
6 April 1987, Pyongyang

ANNIVERSARY OF HUNGARIAN 'LIBERATION' NOTED

Hungarian Envoy's Reception

SK020452 Pyongyang KCNA in English 0432 GMT 2 Apr 87

[Text] Pyongyang April 2 (KCNA) -- Janos Taraba, Hungarian ambassador to Korea, gave a reception at his embassy on the evening of April 1 to mark the 42nd anniversary of the liberation of Hungary.

Invited there were Yang Hyong-sop, chairman of the Standing Committee of the Supreme People's Assembly, Pak Chung-kuk, Yi In-kyu, Kim Ha-chong, Chon Il-chun and other officials concerned.

Toasts were made there by Ambassador Janos Taraba and Chairman Yang Hyong-sop.

Kim Il-song Greet Leaders

SK031041 Pyongyang KCNA in English 1032 GMT 3 Apr 87

[Text] Pyongyang April 3 (KCNA) -- Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, sent a message of greetings on April 2 to Comrade Janos Kadar, secretary-general of the Hungarian Socialist Workers' Party, and Comrade Pal Losonczi, president of the Presidential Council of the Hungarian People's Republic, on the occasion of the 42nd anniversary of the liberation of Hungary, the national holiday of the Hungarian people.

The message says:

The Hungarian people have vigorously traversed the road of a difficult yet proud struggle to turn their once backward country into a socialist industrial state with a developed agriculture under the leadership of the Hungarian Socialist Workers' Party after the liberation.

Today the Hungarian people are actively striving to carry out the Seventh Five-year Plan and further accelerate the socio-economic development of the country.

The Korean people are sincerely rejoiced over the achievements made by the fraternal Hungarian people in the building of a new life and extend firm solidarity for your struggle to step up socialist construction and defend peace in Europe and the world.

Availing myself of this opportunity, I wholeheartedly wish you and the Hungarian people greater successes in the work to implement the decisions of the 13th Congress of the Hungarian Socialist Workers' Party and build a developed socialist society.

I believe that the traditional relations of friendship and cooperation between our two parties, two countries and two peoples based on Marxism-Leninism and proletarian internationalism will grow stronger and develop in the common struggle against imperialism and for the victory of the cause of peace and socialism.

Dailies' 4 Apr Signed Articles

SK040507 Pyongyang KCNA in English 0456 GMT 4 Apr 87

[Text] Pyongyang April 4 (KCNA) -- NODONG SINMUN and MINJU CHOSON today dedicate signed articles to the 42nd anniversary of the liberation of Hungary.

Noting that the liberation of Hungary was an epochal event which ushered in a new epoch in the history of her people, NODONG SINMUN says:

Over the past 40 years the Hungarian people have reliably defended the gains of socialism, smashing all the counter-revolutionary manoeuvres of the class enemies at home and abroad. Thanks to the devoted endeavours of the people for the building of a new life Hungary has done away with backwardness and poverty and turned into a socialist country with a modern industry and developed rural economy.

All the achievements of the Hungarian people in socialist construction are the fruition of the leadership of the Hungarian Socialist Workers' Party headed by Comrade Janos Kadar.

The Korean people are sincerely rejoiced over the successes made by the Hungarian people in the socialist revolution and socialist construction and express firm solidarity with them in the struggle for defending peace and security in Europe and the world.

They rejoice at the steady development on good terms of the friendly and cooperative relations between the two countries in the spirit of the historic meeting and talks between the great leader Comrade Kim Il-song and respected Comrade Janos Kadar in Budapest in 1984.

They will make efforts to strengthen the friendship and unity with the Hungarian people.

The Korean people wish the fraternal Hungarian people greater success in the building of a developed socialist society in accordance with the decisions of the 13th congress of the party.

DPRK-HUNGARY COOPERATION AGREEMENT SIGNED 30 MAR

SK030449 Pyongyang KCNA in English 0419 GMT 3 Apr 87

[Text] Pyongyang April 3 (KCNA) -- An agreement on cooperation between the governments of the Democratic People's Republic of Korea and the Hungarian People's Republic in plant protection and quarantine was signed in Budapest on March 30.

An agreement on economic and scientific-technological cooperation in agriculture between the Agricultural Commission of the DPRK and the Ministry of Agricultural and Foodstuff Industry of the HPR was signed at the same place that day.

HUNGARY'S LAZAR MEETS KIM POK-SIN-LED DELEGATION

SK030446 Pyongyang KCNA in English 0416 GMT 3 Apr 87

[Text] Pyongyang April 3 (KCNA) -- Gyorgy Lazar, chairman of the Council of Ministers of Hungary, on March 30 met the Korean government delegation headed by Vice-Premier Kim Pok-in which had attended the 7th meeting of the Inter-Governmental Economic and Scientific-Technological Consultative Committee between the Democratic People's Republic of Korea and the Hungarian People's Republic.

The head of the delegation conveyed to him regards from the great leader Comrade Kim Il-song and dear Comrade Kim Chong-il to respected Comrade Janos Kadar.

The chairman expressed deep thanks for this and asked the head of the delegation to forward sincere greetings of respected Comrade Janos Kadar to them.

Referring to the friendly relations between Hungary and Korea, he stressed the need to further develop these relations in the future.

The conversation took place in a friendly atmosphere.

PYONGYANG ASSAILS CHON'S 13 APR DECLARATION

SK170514 Pyongyang Domestic Service in Korean 1450 GMT 15 Apr 87

[Unattributed commentary: "Declaration of a Coup d'Etat To Prolong Power"]

[Text] Traitor Chon Tu-hwan on 13 April issued a special statement concerning a so-called momentous decision. In this statement he said that constitutional revision during his term of office has turned out to be impossible and that he will transfer the government next year under the present Constitution. He said that the issue of constitutional revision ought to be discussed again when there is sufficient time for it after completing the transfer of government and the hosting of the Olympics. This is nothing short of declaring the DJP's plot for long-term power and is a declaration of a coup d'etat.

That the hooligans seek to prolong power by means of the puppet institution called the electoral college representing only 0.025 percent of the total number of voters and unilaterally declared the suspension of the discussion of constitutional revision is an open rejection of democracy and is intolerable self-complacent violence.

The puppet traitor, who reluctantly supported constitutional revision during his term of office at the end of April last year, has now returned to his real intent of absolutely defending the Constitution in less than a year. It is now very clear that the Chon Tu-hwan ring's advocacy of constitutional revision was a complete falsity and that its real intent has always been to prolong the military fascist dictatorship under the present Constitution.

The raving of the puppet traitor that although they made concessions and compromises for agreement on constitutional revision, the present situation has resulted because the opposition insisted only on a direct presidential election system is preposterous. It is the Chon Tu-hwan ring itself that made constitutional revision impossible and has led the political situation to confusion, as it is today.

It is well known that the DJP insisted on the parliamentary cabinet system, which the DJP formulated to prolong power, and opposed by all means the constitutional revision for a direct election system which the absolute majority of the South Korean residents and opposition parties call for.

Brutally and oppressively suppressing the opposition party's advance calling for constitutional revision for a direct election system, they even resorted to the operation of dividing and demolishing the NKDP to neutralize the opposition forces. The recent division of the NKDP resulted from the maneuvers of the puppet Agency for National Security Planning which bribed some 10 lawmakers of the opposition party into demolishing the party.

As soon as the NKDP was divided, the puppet traitor issued the special statement as though he eagerly awaited it and, shifting onto the opposition party the blame for failing to realize constitutional revision through amicable agreement, publicly revealed the DJP's plot for prolonging power under the present Constitution. Needless to say, all this is the result of intentional maneuvers based on a scenario written in advance.

The Chon Tu-hwan ring has formulated the plan for long-term DJP power until the 2000's and is initiating it in a full-fledged manner. The puppet traitor not only has postponed Constitutional revision under the Pretext of the false transfer of government and the 1988 Olympics, but also did not guarantee the time when constitutional revision would be made.

This is a vicious challenge to, and a shameless mockery of, the South Korean students, people, and opposition democratic forces calling for constitutional revision, for a direct election system, and for the stepping down of the dictatorial regime.

Traitor Chon Tu hwan's so-called momentous decision is the reappearance of fascist violence similar to the 17 May incident. In the so-called special statement, the puppet traitor threatened that he will resolutely deal with life under the authority given by the Constitution. This is an open declaration of suppression against the democratic forces opposing their plot for prolonging power.

As soon as the puppet traitor's so-called special statement was issued, the puppet prosecution office and police said that they would ruthlessly suppress opposition to their vicious scheme. This is far from coincidence.

The Chon Tu-hwan ring is attempting to remove Kim Tae-chung and Kim Yong-sam and other political rivals, who stand in the way of its scheme for prolonging power, from the political stage, labeling them as persons of a bygone era.

Furthermore, the fascist elements placed Kim Tae-chung under house arrest, and said that unless he makes an official announcement that he will not engage in political activities, they will not withdraw the house arrest.

Concerning the opposition party figures' moves to found a new political party, they label this as a scheme to wage some masses' revolution in concert with the left-leaning forces, threatening them in order to block their activities. In particular, in an attempt to suppress the heightening students' and people's moves for resistance with the upcoming anniversaries of the 19 April popular uprising and the Kwangju popular uprising, they are issuing a series of suppressive orders and engaging in unprecedentedly large suppressive maneuvers.

In fact, South Korea is in a state of martial law. The present South Korean situation shows once again that no matter how loudly traitor Chon Tu-hwan raves about a peaceful transfer of government, his plot to remain in power can never change.

Although the Chon Tu-hwan ring is resorting to all desperate means available to realize its filthy and vicious ambition for long-term power, it will be all in vain. The broad strata of students, people, and opposition democratic forces are determined not to tolerate the Chon Tu-hwan ring's plot for long-term power.

On the day when the special statement was issued, students of many colleges and universities in South Korea, including Seoul National University, staged mass meetings and demonstrations, chanting such slogans as "Overthrow the Chon Tu-hwan ring scheming for long-term power," "Chon Tu-hwan, step down," and "Let us realize the direct presidential election system by the strength of the people."

The opposition party figures, including Kim Yong-sam and Kim Tae-chung, also declared that they would wage a continuous struggle to realize a direct presidential election system.

The Party for Unification and Democracy, the new political party of the opposition party figures who had the proposers' meeting for founding the party on 13 April, expressed its determination to realize a constitutional revision for a direct presidential election system.

The plot for long-term power by traitor Chon Tu-hwan and his ring will certainly be frustrated. The more the Chon Tu-hwan ring resorts to suppression with guns and bayonets in its greed for long-term power, the greater will be the resultant resistance of the South Korean people and democratic forces. The Chon Tu-hwan clique should not engage in futile maneuvers but immediately step down from power as consistently demanded by the people.

EVENTS MARKING KIM IL-SONG'S BIRTHDAY CONTINUE

Argentine Party Arrives

SK100510 Pyongyang KCNA in English 0451 GMT 10 Apr 87

[Text] Pyongyang April 10 (KCNA) -- A delegation of the Communist Party of Argentina headed by its general secretary Athos Fava flew into Pyongyang on April 9 for a visit to Korea to congratulate the great leader President Kim Il-song on his 75th birthday.

It was met at the airport by Kye Ung-tae, alternate member of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea.

Military Attaches Visit Sites

SK110523 Pyongyang KCNA in English 0449 GMT 11 Apr 87

[Text] Pyongyang April 11 (KCNA) -- Military attaches of foreign embassies in Pyongyang visited the Kunja revolutionary site Friday on the occasion of the birthday of the great leader President Kim Il-song.

Hearing that the great leader President Kim Il-song put forward original military strategic and tactical policies and mobilized the whole party and the entire people for the final victory in the war in the period of the fatherland liberation war, the guests went round his bronze statue erected at the revolutionary site and then the Kunja revolutionary museum.

On the same day trade and economic officials of foreign embassies in Pyongyang visited the Paeksong revolutionary site.

They placed a basket of flowers at the bronze statue of President Kim Il-song at the revolutionary site and sincerely wished him good health and a long life.

They went round with deep interest the Paeksong revolutionary museum and revolutionary mementoes.

The guests planted azaleas there with all sincerity in memory of their visit to the revolutionary site.

A party was given yesterday for the guests.

Kim Receives Argentine Envoy

SK121059 Pyongyang KCNA in English 0936 GMT 12 Apr 87

[Text] Pyongyang April 12 (KCNA) -- The great leader Comrade Kim Il-song on April 12 received the delegation of the Communist Party of Argentina led by its general secretary Athos Fava which has come to Korea to congratulate him on his 75th birthday.

Present on the occasion were Kye Ung-tae, alternate member of the Political Bureau, and secretary, of the Central Committee of the Workers' Party of Korea, Hwang Chang-yop, secretary of the WPK Central Committee, and Han Si-hae, deputy director of a department of the WPK Central Committee.

Comrade Kim Il-song had a conversation with the guests in a warm and friendly atmosphere.

Comrade Kim Il-song gave a luncheon for the delegation.

Receives Gift From SFRY

SK120856 Pyongyang KCNA in English 0800 GMT 12 Apr 87

[Text] Pyongyang April 12 (KCNA) -- A gift came to Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, from Comrade Sinan Hasani, president of the presidency of the socialist federal republic of Yugoslavia, on his 75th birthday.

An official concerned of the Presidency of the Socialist Federal Republic of Yugoslavia handed the gift to Chi Chae-yong, Korean ambassador to Yugoslavia, on April 7.

Rwandan Envoy Arrives

SK170209 Pyongyang Domestic Service in Korean 1300 GMT 13 Apr 87

[Text] Joseph Kavaruganda, special envoy of His Excellency Habyarimana Juvenal -- president of the Republic of Rwanda and founder and chairman of the National Revolutionary Movement for Development -- member of the Central Committee of the National Revolutionary Movement for Development, and president of the Supreme Court; and his company arrived in Pyongyang today by plane to visit our country to celebrate the 75th birthday of the great leader Comrade Kim Il-song.

Many workers of the city warmly welcomed the special envoy and his company at the airport. Minister of Labor Administration Kim Pong-ul and Ambassador of the Republic of Rwanda in our country (Magira Bigirimana Duni) greeted the guests at the airport. Juvenile corps members presented a bouquet to the special envoy.

Libyan Delegation Arrives

SK150628 Pyongyang Domestic Service in Korean 1300 GMT 13 Apr 87

[Text] A delegation of the Great Socialist People's Libyan Arab Jamahiriya led by Mustafa al-Kharrubi arrived in Pyongyang today by plane to visit our country to celebrate the 75th birthday of the great leader Comrade Kim Il-song.

Holding the national flags of the two countries and flowers, many workers from the city were at the airport to greet the friendship envoy of the Libyan people. A placard of slogans welcoming the delegation was set up at the airport, where the national flags of Korea and Libya were hoisted. When the plane landed, the crowd warmly welcomed the guests, waving bouquets.

O Kuk-yol, chief of staff of the KPA; General Kim Kwang-chin; Kim Pong-chu, chairman of the GFTUK Central Committee and chairman of the Korea-Libya Friendship Association; and functionaries from sectors concerned greeted the delegation at the airport. Muhammad 'Umar al-Baroni, secretary of the People's Committee of the People's Bureau of the Great Socialist People's Libyan Arab Jamahiriya, greeted the delegation.

A ceremony was held at the airport to welcome the delegation. Following the playing of the national anthems of the Great Socialist People's Libyan Arab Jamahiriya and our country, delegation leader Mustafa al-Kharrubi reviewed the KPA honor guard with Chief of Staff O Kuk-yol. Juvenile corps members gave a bouquet to the delegation leader.

Risquet Attends Celebrations

FL131620 Havana Radio Reloj Network in Spanish 1413 GMT 13 Apr 87

[Text] Jorge Risquet Valdes, member of the Communist Party of Cuba Politburo, arrived in Pyongyang, DPRK, today to attend the events on the occasion of the 75th birthday of DPRK President Kim Il-song. The Cuban Embassy, in Pyongyang has announced that following the birthday celebrations the delegation, headed by Jorge Risquet, will carry out an official visit to this Asian country.

Uganda's Museveni Arrives

EA142154 Kampala Domestic Service in English 1400 GMT 14 Apr 87

[Excerpts] President Yoweri Museveni has arrived in Pyongyang to attend the 75th birthday of President Kim Il-song of the DPRK tomorrow. President Museveni was met at Pyongyang Airport by the Korean vice-president, Mr Pak Song-chol; the vice premier and minister of foreign affairs, Mr Kim Yong-nam; the vice-premier, Mr Kim Hwan; the deputy minister of foreign affairs, Mr Kim Yong-sop; and the ambassador of the DPRK in Uganda, Mr Kim Tae-yong. [passage omitted] After the celebrations, President Museveni will stay in the country for a few days on a state visit.

KOC DELEGATION LEAVES FOR LAUSANNE TALKS

SK170045 Seoul THE KOREA HERALD in English 17 Apr 87 p 11

[Text] Four representatives of the Korean Olympic Committee, [KOC] headed by its president Kim Chong-ha, leave for Lausanne, Switzerland, today for talks with the Executive Board of the International Olympic Committee [IOC] regarding North Korean participation in the 1988 Seoul Olympics.

The IOC-KOC meeting, scheduled for April 23, is seen as the last contact between the two sides before the IOC calls the fourth round for the south-north Korean talks, probably in June.

The IOC Executive Board met the north Korean Olympic Committee in February this year after the north accepted "in principle" an IOC offer to allow the north to stage all or part of our events of the Seoul Olympics.

North Korea has demanded to "cohost" the 1988 Olympics, threatening to lead an East-bloc boycott of the Seoul Games unless its demands are met.

The IOC, in a bid to see the first boycott-free Games since the 1972 Munich Games, stepped in to hold three rounds of talks between the two Koreas.

But the meetings have failed to settle the issue despite what IOC president Juan Antonio Samaranch has termed "the most generous offer" at the end of the third-round talks in June last year.

The "final" offer by the IOC allows the north to stage all or part of four events. The proposed events are one preliminary group matches of soccer, all events of archery and table tennis and a road cycling event linking south and north Korea.

South Korea accepted the IOC offer immediately and the north said in February north Korean officials have repeatedly said they want additional events.

Both the IOC and south Korea have made it clear that there will be no further concession.

The south Korean delegation to Lausanne include Choe Man-nip, a KOC vice president, and Im Tae-su and Pak Su-chang, both members of the KOC.

DELEGATION TO ATTEND HAVANA GROUP OF 77 MEETING

SK170600 Seoul YONHAP in English 0530 GMT 17 Apr 87

[Text] Seoul, April 17 (YONHAP) -- South Korea will dispatch a nine-member delegation to the sixth ministerial meeting of the Group of 77, scheduled for April 20-24 in Havana, Cuba, the Foreign Ministry reported Friday. The Korean delegation will be headed by Ambassador-at-Large Ku Chung-hoe.

In the meeting, the participants will discuss the development of financial resources for economic growth, trade, and economic cooperation among developing and underdeveloped countries. The 127 member countries of the group will draft a unified position to be presented at the seventh general meeting of the United Nations conference on trade and development, slated for July in Geneva, Switzerland.

DJP, OPPOSITION SEEK EXTRA ASSEMBLY SESSION

SK170059 Seoul THE KOREA HERALD in English 17 Apr 87 p 1

[Text] The ruling Democratic Justice Party plans to convene an extraordinary National Assembly session later this month to deal with overall national affairs.

High on the agenda will be deliberations on national administration and action on bills pending in that Assembly.

The Assembly will also elect its speaker, vice speakers, and chairmen of the 12 standing committees during the special session. Their terms expire early next month.

In addition, the Assembly will act on bills to revise the Local Autonomy Law with a view to implementing a system of local autonomy within this year.

Party sources said yesterday that the DJP is considering a special Assembly sitting lasting about two weeks.

DJP floor leader Yi Han-tong said that his party is considering two options. One is to hold the session late this month followed by local chapter reorganization rallies. The other option, he said, is to hold the reorganization rallies first and then open the special Assembly sitting in early May.

"The timing will be determined when party chairman No Tae-u discloses the DJP's future political schedule in a news conference Saturday," Yi said.

In the meantime, the opposition political group tentatively named the Party for Reunification and Democracy [PRD] demanded yesterday that an extra session be convened promptly.

"A special sitting should be held immediately to handle such issues as the house arrest of Kim Tae-chung, judicial indictments of PRD lawmakers, and matters concerning the people's livelihood," the opposition group maintained.

Interparty negotiations on holding the extra session are expected to begin as soon as the PRD completes legal procedures to become a political party.

Kim Hyon-kyu, the lawmaker in charge of Assembly affairs for the group, yesterday said his party will finish registering as an Assembly negotiating group by early next week.

COMMITTEE RULES KIM TAE-CHUNG ACTS ILLEGAL

SK170050 Seoul THE KOREA HERALD in English 17 Apr 87 p 1

[Text] The Central Election Management Committee has ruled that the political activities of opposition leader Kim Tae-chung are illegal because he is under a suspended sentence.

The committee made the ruling Wednesday in response to a request by an opposition lawmaker who sought to know whether Kim can engage in political activities.

The ruling is not legally binding but it raised speculation about measures that law-enforcement officials may take against Kim.

Convicted of sedition in 1980, Kim is under a suspended 20-year prison term.

The committee said Kim is not entitled to party membership, and thus should not be involved in the activities of a political party.

The National Assembly Election Law stipulates that a person sentenced to jail term cannot vote in Assembly elections until he completes his sentence.

The committee continued, "It would be a violation of the law if a person ineligible for party membership engaged in the activities of a political party."

Therefore, those with no right to elect National Assembly members cannot be a member of a political party, said the committee whose jurisdiction covers affairs of political parties.

"And according to the Political Party Law, those who are not legally entitled to party membership cannot hold key posts in a political party, host gatherings of party members, encourage people to join or leave a certain party, or support or obstruct the political activity of a party," the ruling said.

The request was filed on March 28 by Rep. Yi Taek-hui. The filing came when Kim, along with Kim Yong-sam, was moving to punish Yi amid an internal dispute of the opposition New Korea Democratic Party.

Kim has been placed under house arrest since April 10, two days after the two Kims had at least 70 of the 90 lawmakers desert the New Korea Democratic party to form hardline opposition political group, tentatively named the Party for Reunification and Democracy.

In connection with the committee ruling, sources of the ruling camp said that the government may take legal steps against him if Kim should continue his political activities or influence the affairs of a political group.

They said that possible measures include the revocation of the suspension of his sentence, putting him back in prison.

Kim was arrested on charges of sedition and violation of the National Security Law when the government declared nationwide martial law on May 17, 1980.

He was sentenced to death but the sentence was reduced to life imprisonment by the government and later commuted to 20 years.

After spending about two years in jail, Kim's sentence was suspended in December 1982. He then left for the United States.

Kim returned home Feb. 8, 1985, four days before the 12th general election.

FOREIGN COOPERATION PLAYS IMPORTANT ROLE IN 1986

BK141245 Phnom Penh Domestic Service in Cambodian 2300 GMT 12 Apr 87

[Station correspondent's feature: "The Fruition of Economic and Cultural Cooperation With Foreign Countries in 1986"]

[Text] Cooperation is one of the principal enterprises of the party and state. Cooperation plays an important role in the development of the socioeconomic domain. For this reason, since the birth of the PRK, the party and Government of the PRK have sought by all means to enhance efficiency in the all-round relationship and cooperation with fraternal socialist countries, especially Vietnam, Laos, and the Soviet Union, on the basis of the principles of equality, mutual benefit, and reciprocal respect for each other's sovereignty.

In the past 8 years, although our grasp of working experience and working expertise was not yet firm enough and our material capacity remained limited, thanks to the disinterested assistance of the fraternal socialist countries, our cooperation with foreign countries made steady progress and actively contributed to the cause of national defense and reconstruction. In fact, in 1986, despite encountering some difficulties in the implementation of the state plan in all fields, cooperation among Cambodia and Vietnam, Laos, the Soviet Union, and other fraternal socialist countries bore remarkable fruit, in particular in the four economic spearheads, in various construction domains, and in the cultural field.

The tripartite cooperation among Cambodia, Vietnam, and Laos achieved excellent results in the economic, scientific, and technical fields according to the program of cooperation in each sector, including food supply, consumer goods production, development of agricultural production and forest exploitation for export, exploitation of the plateau regions of the three countries, industrial development and modification of export-oriented goods, expansion of communication networks, exploitation of the Mekong River basin, and so on. The three sides began focusing attention on the attention on the quality and effectiveness of the cooperation. At the same time, material construction and the infrastructure responded to and directly served the production efforts and living conditions of the people. Forest exploitation, rubber production, service, supply, and goods exchanges also made notable progress in comparison to 1985.

In general, the outcome of the implementation of various cooperation programs in the past year has brought the three countries closer to one another and allowed them to trust one another more on the basis of the principle of equally sharing benefits, which can enable each country to raise its economic capacity, develop its national defense efforts, and reduce difficulties encountered in the livelihood of its people.

In bilateral Cambodia-Vietnam cooperation, based on the experiences gained in previous years and on the already-set 5-year economic plan, the Vietnamese side helped Cambodia promote the restoration and development of its economy; train its cadres and personnel; learn and benefit from agricultural production and forest exploitation; produce consumer goods and export-oriented products; and improve construction, service, other professions, and so on. As for the work of forming personnel in the country, many sectors and localities preferred on-the-job training at various ministries, offices, general directorates, provinces, and cities through agreements on short-term provision of expertise. As for the training of personnel and their study in friendly Vietnam, they were also very successful; 431 cadres and personnel received technical training in Vietnam. Also in 1986, 65 projects were built through Cambodia-Vietnam cooperation agreed upon by the governments of the two countries for ministries, offices, general directorates, provinces, and cities.

In the goods exchange sector, a number of provinces and cities traded their goods with their Vietnamese twin provinces so as to meet the needs of the people promptly. The exchanges of commercial goods between our two countries were also successful as the two sides tried their best with a high sense of responsibility to carry out promptly all projected plans. Moreover, the Vietnamese side also gave Cambodia some aid with no strings attached, such as helping build worksites in Kompong Chhnang and the Phnom Penh-Hanoi friendship kindergarten.

In bilateral Cambodia-Laos cooperation, there was also a remarkable development. In 1986, we repaired Route No. 13 and a number of bridges on this road. We also tried twice to open the Mekong waterway, once during the low-tide season and again during the high-tide season. At the same time, we built a large godown to store goods in Kratie Province. In goods exchanges in 1986, the Cambodian side exported to Laos 300 metric tons of rubber and 1,000 car tires and imported from Laos 250 metric tons of coffee. Moreover, the Lao side gave Cambodia some aid with no strings attached, such as sending six doctors and some medicine to the hospital of Stung Treng Province and sending six engineers and construction materials worth 1.5 million kip to help in the successful repair of the O Chralam bridge.

Cooperation with the Soviet Union was also strengthened and expanded in a big way. Last year, in the economic, technical, and scientific sectors, including the field of electricity, the Soviet side gave Cambodia construction materials and equipment for Power Plant No. 4 in Phnom Penh and sent Cambodia a number of specialists to boost its power production to 15 megawatts. It also supplied Cambodia with generators to increase electric power production in a number of provinces. The most outstanding project in Cambodia was the intersputnik ground satellite station, which was under construction and will be completed in the 1st quarter of 1987.

In the field of agricultural development, the Soviet side gave us a rice seed selection experimental station at Kap Srov, north of Phnom Penh, assistance in cotton planting at Tuol Krasang in Kandal Province, and a hydrography station. In the communications field, the Soviet side helped us in the exploitation of the Kompong Som and Phnom Penh ports, equipped the teams repairing or building automobile and railway roads and bridges, and provided us with materials for the restoration of the jetty north of Kompong Som port. In the field of natural rubber production, the Soviet side cooperated with the State Rubber Plantation General Directorate in realizing the first phase of expansion, including the expanding of the planted area by 700 hectares when the plan called for 500 hectares, growing young rubber trees on 15 hectares, and the current construction of 600 houses for the workers. Cooperation with the Soviet Union has led the rubber production sector to develop and improve the economic and technical system and to set up to a great extent the material and technical foundations for development.

Regarding professional aid, our Cambodia-USSR Friendship Hospital received materials, equipment, and medicines good for servicing 500 beds now attended around the clock by 28 specialists. During each quarter, this polyclinical hospital treated some 35,000 patients and provided minor care to an average of 2,500 others. Four other provincial hospitals also received medical equipment from the Soviet Union.

In the framework of national-level cadre training, the Cambodian side sent 362 students to study in scientific and technical fields, including 157 students at higher education level, 129 at secondary level, 40 skilled workers, and 36 trainees. At the same time, we received 96 Soviet specialists and lecturers who are assisting us by teaching at the Cambodia-Soviet Friendship Technical Institute.

In the field of goods exchanges, by the end of 1986, we had exported 91 percent of the plan for the export of goods to the Soviet Union, and imported 104 percent of the plan for the import of goods from the Soviet Union.

Besides the Soviet Union, we also cooperated with other East European countries. For example, in the case of the GDR, in 1986 we received more than 12 million rubles from cooperation in rubber transactions and exported more than 1 million rubles worth of goods while importing from Germany more than 650,000 rubles of goods. As far as aid without strings is concerned, in scientific and cultural cooperation, we sent 150 students to study in the GDR, including 30 students at higher education levels, 40 at secondary education levels, and 80 specialized workers. Moreover, we received more than 35 metric tons of humanitarian aid from the GDR giving our people cloth, medicine, bicycles, and machines.

Regarding our cooperation with the CSSR, we exported to Czechoslovakia 800 metric tons of rubber, more than 400 cubic meters of timber, and 700 metric tons of soybeans and imported from it more than 1.3 million rubles worth of medicine and cloth. As part of aid with no strings in educational and scientific cooperation, we sent for study in Czechoslovakia 33 students at the higher education level and 10 others at the secondary level. We received more than 14 metric tons of educational materials from this country. In addition to all of this, we also signed an agreement of cooperation with Czechoslovakia to jointly produce a feature film entitled The Nine-Level Hell, which is now being shot.

In our cooperation with the Polish People's Republic, we asked to buy a dredge from Poland and, as part of the no-strings-attached aid, we sent 16 university students to study in Poland and 4 other trainees to study conserving and locating antiques.

In our cooperation with the Hungarian People's Republic, in the protocol for 1986-90 with a fund of 5 million rubles we signed a pledge worth 500,000 rubles for the corn seed experimental station in Kien Svay District and another 2 million rubles for the development of rubber. In the field of commercial goods exchanges, we fulfilled all plans for import and export set for 1986. At the same time, we receive from Hungary every year a sum of 25 million forints in solidarity aid. Moreover, within the framework of the aid with no strings attached, we sent 33 students for study in Hungary, including higher education level and specialized workers. Moreover, we agreed with the Hungarian side to build a technical school in Kompong Cham for 300 students to study the mechanics of tractors, farm machinery, and automobiles.

In our cooperation with the People's Republic of Bulgaria, we signed an agreement in the field of rubber production with Bulgaria financing us in replanting 10,000 hectares of rubber trees. Within the framework of the no-strings-attached aid package worth 4 million leva, we signed a pledge with the friendly side to use 3 million leva to purchase technical goods and equipment and 1 million leva for scientific and technical goods. Moreover, we also cooperated with the Republic of Cuba and the Mongolian People's Republic. In the agricultural field, we sent specialists to Cuba to study (?hemp) and tree planting and received in return a number of specialists in artificial insemination as well as equipment and materials. At the same time, we sent 10,000 tree seedlings and 350 red monkeys to Cuba. We also received 13,000 metric tons of sugar from Cuba.

This is the result, the fruition of the economic and cultural cooperation with foreign countries in 1986. It shows more clearly that all revolutionary gains won by the Cambodian revolution over the past 8 years certainly cannot be separated from the assistance and support of the fraternal socialist countries, especially Vietnam, Laos, and the Soviet Union. It reminds us of the remarks made by our venerated and beloved Comrade General Secretary Heng Samrin at the Fourth Congress of the Lao People's Revolutionary Party where he said that the wonderful rebirth of the Cambodian people from the hellhole of genocide enjoyed the precious all-round assistance and support of the Vietnamese and Lao peoples and the considerable assistance of the Soviet Union and other fraternal socialist countries as well as progressive forces and peace- and justice-loving movements in the world.

Meanwhile, to make our cooperation work even more successful, we must unite to perform it by trying to improve our success and eliminate all past shortcomings, seeking to understand the strengths and weaknesses of each sector before introducing it into the cooperation field. All cooperation work for the twin provinces and cities must be vigorously promoted and implemented directly in the local production sites to create conditions for these localities to be able to produce important and necessary goods to meet the needs of the livelihood of the local people. Moreover, it is imperative to take advantage of the existing sources of capital; accept and effectively use international aid; and implement well all economic, cultural, and social objectives set by the fifth party congress in the four spearheads. For the immediate future, it is imperative to hurry up and permanently complete the study of and research on the three policies on cooperation of labor, balanced financing, and accelerated goods exchanges and to spread these policies in time so as to create favorable conditions for all undertakings and joint construction work to advance toward successful implementation as planned.

TELECOMMUNICATIONS SET UP WITH SOCIALIST CAPITALS

Phnom Penh SPK in French 0405 GMT 16 Apr 87

[Text] Phnom Penh, 16 Apr (SPK) -- With the assistance of the "Intersputnik" organization, 2-way telecommunication links between Phnom Penh and Moscow and other socialist capitals have been set up.

The telephone communications between Phnom Penh and capitals of socialist countries have been undergoing tests since 29 January 1987. Since 1 March, the telephone link between Phnom Penh and Hanoi was established with the assistance of "Intersputnik."

PRINCE RANNARIT COMMENTS ON KHMER GAINS

BK141223 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 14 Apr 87

[Text] Prince Norodom Rannarit, personal representative of Samdech Norodom Sihanouk for Cambodia and Asia and commander in chief of the Sihanoukist National Army [ANS], said yesterday that there are many signs this year showing a strong hope that the just struggle of the Khmer people will be able to liberate their country from the Vietnamese aggressors.

The Voice of the Khmer's correspondent excerpted the statement by Prince Norodom Rannarit, who said that there are many signs this year that we may be able to liberate our country from Vietnam. However, he did not give any details about the signs that have led to such a strong hope of national liberation.

He went on to say that all peace-loving countries in the world are now supporting our just struggle while condemning Vietnam more harshly and putting stronger pressure on it. He added that Vietnam now has problems not only with foreign countries but also in its inner circles because of serious splits and differences between southerners and northerners and because of an ideological crisis.

Regarding the military situation, Prince Norodom Rannarit said that thousands of ANS soldiers are operating deep inside Cambodia and enjoying growing support from the Cambodian people. He added that Heng Samrin soldiers are also supporting the ANS fighters vigorously. However, he did not give any example of help given by Heng Samrin soldiers to the ANS.

More on SRV Difficulties

BK150735 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 15 Apr 87

[New Year message from Prince Norodom Rannarit, personal representative of Samdech Norodom Sihanouk in Cambodia and Asia and ANS commander-in-chief -- recorded]

[Excerpt] [Passage omitted] In this New Year, the hope of all of us, resistance fighters, has greatly increased over the past years. For example, recently Vietnam many times asked Austria, Romania, and France to approach our Samdech Euv [Sihanouk] that he would agree to talks with the Heng Samrin puppet regime in Phnom Penh. Through these activities, it is very clear that Vietnam is facing great difficulties on the Cambodian battlefield. Furthermore, Vietnam the aggressor is being greatly isolated in the international arena. Recently, at the United Nations, 115 countries, which love the Cambodian people and justice, condemned Vietnam for its aggression against Cambodia.

And more recently, Soviet Foreign Minister Shevardnadze visited Asia. During his trip, he told Southeast Asian leaders that the Soviet Union wants a quick, peaceful, and definitive solution to the Cambodian problem. The Soviet Union, more recently made it public that on 13 April, when it holds talks with the People's Republic of China, will agree to discuss the Cambodian issue. More important still, when Shevardnadze visited Vietnam, observers clearly noted that the Soviet Union seemed to have many views differing from those of the Vietnamese leaders. According to foreign observers, the Soviet leaders were very wary of the Cambodian issue. These observers said that in the near future, the Soviet Union will reduce its financial support in assisting Vietnam in weaponry to let Vietnam resolve the Cambodian issue definitively. [passage omitted]

VONADK: KOMPONG CHHNANG TOWNSHIP ATTACKED 7 APR

BK160204 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2330 GMT 15 Apr 87

[From the "Daily Report From Various Battlefields" feature]

[Excerpt] Kompong Chhnang battlefield: On 7 April, our National Army launched a 2-pronged commando attack on Phsa Kraom township in Kompong Chhnang Province. The first prong attacked the Vietnamese enemy landing place at Phsa Kraom and the second prong attacked Vietnamese provincial officials' houses and warehouses. After a 30-minute battle, we were in complete control on these two prongs. We killed 48 Vietnamese enemy soldiers on the spot, including a Vietnamese provincial administrator, and wounded a number of others; destroyed 47 assorted weapons, including a DK-75 gun, a DK-82 gun, a 12.7-mm machine gun, 2 Goryunov machine guns, 12 B-40-s and B-41's, 20 AK's, 5 RPD's, 15 AR-15's, 5 500-horsepower motorboats, 12 9-horsepower motorboats, 13 boats, 3 large vehicles, a generator, 39 Vietnamese houses, and some other materiel. The next morning, another eight Vietnamese soldiers were wounded by our mines when they were going after us. [passage omitted]

DELEGATION LEAVES FOR CUBA GROUP OF 77 MEETING

BK161337 Vientiane KPL in English 0906 GMT 16 Apr 87

[Text] Vientiane, April 16 (KPL) -- a Lao delegation led by Pong Kha-anavong, deputy minister for foreign affairs, left here in April 15 for Havana, capital of the Republic of Cuba, to attend a conference of the foreign ministers of the Group 77 which is to be organized there on April 20-24.

The conference is to study the preparation for the United Nations Organization. Seeing the delegation off at Wattai Airport were Soulivong Phassitthidet, deputy minister for foreign affairs and other senior officials.

Soviet extraordinary and plenipotentiary ambassador to the Lao PDR, Yuriy Mikheyev, and representative of the Cuban Embassy here were also present at the airport.

LPDR SIGNS CHEMISTRY COOPERATION DOCUMENT WITH SRV

BK161339 Vientiane KPL in English 0903 GMT 16 Apr 87

[Text] Vientiane, April 16 (KPL) -- A new memorandum on chemistry cooperation between the Lao PDR and the S.R. of Vietnam was signed here on April 14.

The two sides reviewed the implementation of the memorandum signed in 1984 by services and factories attached to the Ministry of Industry and Handicrafts. The memorandum also assessed the assistance of the Vietnamese side during the past.

The Lao PDR and Vietnam are to further strengthen their cooperation in this field. They will alternatively hold conferences at departmental level or at higher level each year.

The first meeting between the two services is expected to be organized early next year in Hanoi.

The signatories to the document were Nousai Sithisai, deputy-minister of industry and handicraft for Laos, and Tran Dai, deputy-head of the General Department of Chemistry of Vietnam.

TALKS HELD ON SOCIAL WELFARE COOPERATION WITH PRK

BK151013 Vientiane KPL in English 0904 GMT 15 Apr 87

[Text] Vientiane, April 15 (KPL) -- The Lao PDR and the PR of Kampuchea have strengthened their bilateral cooperation on social welfare.

Talks on the exchange of lessons on social welfare activities and the feasibility study for future cooperation plans on this matter between the two countries were held here Monday. At the talks, a Lao delegation was headed by In Keosavang, first vice-chairman of the National Committee for Social Welfare and War Veterans, and its Kampuchean counterpart was led by Duong Chhum, deputy minister of war veterans and social welfare.

The two sides also briefed each other about the execution of the social welfare work in their respective countries.

PHOUMI VONGVICHIT RECEIVES THAI PROFESSORS

BK131153 Vientiane KPL in English 0859 GMT 13 Apr 87

[Text] Vientiane, April 13 (KPL) -- Phoumi Vongvichit, acting president of the Lao PDR, received here on April 11 a delegation of professors of Thammasat University of the Kingdom of Thailand led by (?Chanwit Kasetsiri), professor of history at Thammasat University.

The two sides, on this occasion, conferred on issues concerning the relations between Laos and Thailand based on the spirit of the joint Lao-Thai communique signed in 1979.

Phoumi Vongvichit wished the delegation success during its visit to the Lao PDR, thus contributing to the promotion of Lao-Thai relations for the common interests of the two nations, as well as for peace, security and cooperation in the region and in the world as a whole.

The talk between the host and the guests passed in an atmosphere of friendliness and good neighbourliness.

The delegation, which arrived here on April 6 on a friendly visit, will stay till April 14.

'SANG', 'SAT' DISCUSS THAI ART TROUPE'S VISIT

BK141214 Vientiane Domestic Service in Lao 0500 GMT 12 Apr 87

[Dialogue between "Sang" and "Sat" on Thai art troupe's visit and current Lao-Thai relations]

[Excerpt] [Passage omitted] [Sat] We have discussed the celebration of our traditional new year, but I am interested in something else, old man. I heard that on 10 April, a Thai art troupe arrived in Vientiane. Is that true, old man? I want you to talk about this development.

[Sang] Well, this development is related to an event earlier this year. You probably heard about that.

[Sat] What is it all about? Can you tell me?

[Sang] Earlier this year, you must know that a Lao art and acrobatic troupe visited the Kingdom of Thailand to perform. The purpose of the visit was to exchange visits with the Thai side. And now, in exchange for that visit, the Thai art troupe is visiting our country to perform. These visits have come about thanks to the initiative of the Lao committee for world peace, solidarity, and friendship with other nations and the Thai peace program. They are not sponsored by the governments of the two countries. They are sponsored by our Lao committee for world peace, solidarity, and friendship with other nations and the Thai peace program.

[Sat] Well, old man, I think Lao-Thai relations must have been improved or normalized.

[Sang] By the way, old man, why are you so ignorant of this? Earlier we discussed this in connection with the visit to Bangkok by our Lao side's high-level technical delegation to negotiate with the Thai side. We already said that the fundamental problems in Lao-Thai relations have not been removed and that the Thai Government's high-level technical delegation will come to Vientiane to continue our talks.

[Sat] That was true, old man. In addition, a group of bad elements in Thailand continue to undermine Lao-Thai relations by slandering the LPDR and using all kinds of tactics and tricks to destroy the fraternal affection between the Lao and Thai peoples. They are still doing that, aren't they, old man?

[Sang] That is true, old friend. These problems were raised by our Lao side's high-level technical delegation. For example, we must settle the problem of the three Lao villages that Thailand committed aggression against and occupied; the problem of the group of bad elements in Thailand who have continued to feed, train, shelter, and smuggle exiled Lao reactionaries, including Thai troops, into Laos to create disturbances and to gather military intelligence; and the problem of armed provocations along the border, including the closing of many border points, which the Thai side has frequently committed. Therefore, the Thai side must pledge to halt all such acts. This means that it must refrain from the acts it once committed.

[Sat] That is true, old man. If these problems have not yet been settled, how can mutual trust be created, old man?

[Sang] That is true, old man. That is true. These problems must be settled. As for the Thai side's proposals, they do not address fundamental issues. For example, the proposals on trade contacts, cross-border trade, exchange of visits, tourism, and many others are not fundamental problems. If all the fundamental problems were resolved, these issues can be easily discussed later.

[Sat] Old man, how much longer will it take to resolve these problems so that the Lao and Thai peoples will enjoy good relations and can exchange normal visits with one another to share meals together?

[Sang] Well, well, well, old man, don't you understand what we have just talked about? What a pity! To achieve what you have just said can be done simply by strictly implementing the Lao-Thai joint communiques signed in 1979. Don't you think so? That is the only way. At the same time, the Thai side must be sincere -- sincere enough to make the Lao side genuinely trust it and to resolve the fundamental problems advanced by the head of our Lao side's high-level technical delegation. That is the only way. Well, old man, in the past the Lao and Thai peoples have always loved, united, and sympathized with each other. Only a handful of bad elements always do not want the Lao and Thai peoples to peacefully coexist as brothers.

[Sat] That is very clear, old man. I can understand it more clearly. I have no doubts about this anymore. [passage omitted]

SISAVAT KEOBOUNPHAN MEETS WITH PENSIONERS

BK141031 Vientiane KPL in English 0910 GMT 14 Apr 87

[Text] Vientiane, April 14 (KPL) -- The Vientiane committee for social welfare and war veterans organized here on Saturday a touristic tour for pensioners and war veterans.

The tour was arranged on the occasion of the 32nd founding anniversary of the LPRP and the Lao New Year. Pensioners and war veterans from seven districts of the capital participated in this event.

At Khouhikhanna touristic resort, the group was met by Sisavat Keobounphan, Politburo member and secretary of the LPRP CC and secretary of the party committee of Vientiane Prefecture. S. Keobounphan praised the remarkable contributions of the pensioners and war veterans to the cause of national defence and socialist construction.

AIR FORCE TO BUY ANTI-AIRCRAFT GUNS FROM PRC

BK151012 Bangkok ZHONG HUA RIBAO in Chinese 15 Apr 87 p 4

[Text] The Royal Thai Air Force [RTAF] will use a budget of 280 million baht to buy Chinese anti-aircraft guns. It has sent experts to China to observe the function of such a weapon. The deal is expected to be concluded next year.

Air Force Secretary Air Vice Marshal Sommot Sunthorawet said that the RTAF will buy anti-aircraft guns from China to protect its air bases. The guns will be the 30-mm anti-aircraft gun type and the deal will cost about 280 million baht. At the beginning of this year, we sent experts to China to observe the functions of the guns and to discuss the details of the purchase. The purchase is expected to be concluded next year.

The Air Force secretary said that the Chinese anti-aircraft guns will be stationed at various air bases. However, it is still short of meeting the full demand because of budget constraints. The Air Force will give consideration to the priority of each air base. The secretary also said that the construction of an airport for F-16 aircraft may be completed in June of next year, just in time for the arrival of the first batch of F-16 jets.

SOME STRATEGIC GOODS RESTRICTIONS MAY BE RELAXED

BK160520 Bangkok Domestic Service in English 0000 GMT 16 Apr 87

[Text] Military and civilian officials will hold a meeting in Prachin Buri Province late this month to consider relaxing restrictions on some strategic goods allowed into the Thai-Kampuchean border in the eastern province. Prachin Buri provincial officials and military representatives from the Burapha Force earlier agreed in principle that the number of controlled goods should be reduced from 59 to 19 items. The strategic goods to be cut from the restricted list include storage batteries, radio equipment, watches, bicycle spare parts, fuel, electricity generators, clothes, and rice. However, the quota of 19 items which can be used for military purposes, such as military maps, combat gear, combat uniforms, and compasses will remain under control of the Burapha Force. The meeting, to be chaired by the Prachin Buri governor, will also consider increasing the quantity of medicines allowed into the area in order to meet the demand of residents of the border district.

FINANCE MINISTER SAYS NO MORE FOREIGN BANK BRANCHES

BK150248 Bangkok BANGKOK POST in English 15 Apr 87 p 13

[Text] Finance Minister Dr Suthi Singsane has turned down a proposal, spearheaded by his deputy, De Suphachai Phanitchpak, to allow more foreign banks to open new branches here.

Dr Suthi told the BANGKOK POST in an exclusive interview that he rejected the proposal because he considered it not necessary in the present situation.

"Moreover, it may cause foreign banks wanting to open new branches here to fight for rights," he added.

He admitted that he is getting pressures from various parties to approve the proposal. but after consideration, he decided that the proposal should be shelved for some time to give officials concerned more time to lay down conditions and requirements to make it fair to all parties involved.

He said he had informally discussed the matter with Dr Suphachai and both agreed that allowing foreign banks to open new branches would benefit the country's economy, "but I think it's not yet the right time to grant such permission."

Dr Suthi said the regulations now in force are not sufficient to require foreign banks incorporated here to bring in foreign funds.

"Most existing foreign bank branches are mobilising funds in the domestic market for their business and this is not in line with the Finance Ministry's policy to see these banks bring in foreign exchange," he said.

He said that if the ministry could design more regulations to efficiently require foreign banks to bring in more capital inflow, he might reconsider the proposal.

More than 10 leading foreign banks have applied to the Finance Ministry to set up their branches in Thailand, including Dai-ichi Kangya Bank, Fuji Bank and Sanwa Bank of Japan, and those in the Netherlands, Canada, Australia, the United States and France.

Dr Suthi said each of these banks has expressed strong intention to set up a branch here, "but we cannot grant permissions to all of them and we also cannot decide which of them should get permission."

However, he noted that Western banks should start their business here in other ventures, but he declined to elaborate.

Earlier, there were proposals that foreign banks wanting to open new branches here should take over financial companies in the official life boat scheme.

Dr Suthi said there were also proposals seeking policy revisions to allow more commercial banks to be set up, "but I think the existing ones are sufficient for the country's economy." He added, however, that he wants to see more rural banks.

"If more rural banks are set up, provincial economies would benefit. But I fear that if more rural banks are allowed to open, they would eventually turn to using Bangkok as their base in doing business, instead of the provinces where they are located as the Finance Ministry wants. So, I have also turned down this proposal," Dr Suthi noted.

HOUSE DEBATES RANGERS ACTION AT KHUKRIT'S HOME

BK160654 Bangkok Domestic Service in Thai 0530 GMT 16 Apr 87

[Text] The meeting of the House of Representatives this morning debated the special motion introduced by Samak Suntharawat and his colleagues on activities of Ranger volunteers in front of M.R. Khukrit Pramot's home. In the debate, Samak and his colleagues said government authorities did not attempt to arrest the some 200 Ranger volunteers who cursed and intimidated M.R. Khukrit and threatened to storm his residence, showing discrimination on part of the policemen who should have taken legal action by prosecuting the perpetrators in accordance with the law. For this reason, the government is asked to thoroughly investigate the incident and lay down clear regulations to prevent recurrence of such an incident, and the officials concerned are asked to strictly perform their lawful duties.

The debate by government MP's could be summed up this way: The incident is regarded as an event which occurred inadvertently.

The demonstrators were those who were on leave from the battlefield and there was a misunderstanding with regard to instructions for them to express their support for the army commander, causing them to show up at M.R. Khukrit's residence. In any event, the proper action would be for the issue to be submitted to the house Military Affairs Commission for investigation, not for the issue to be introduced as an urgent motion for a house debate.

After the debate ended, the defense and interior ministers clarified the incident to the attendants. The meeting then voted 91 to 47 to close the debate. The government agreed to accept the recommendations made during the debate for action.

FINANCE MINISTER SUTHI ON 1988 BUDGET BILL

BK150422 Bangkok BANGKOK POST in English 15 Apr 87 p 3

[Text] The Cabinet will decide on the budget bill for fiscal 1988 next Tuesday, Finance Minister Suthi Singsane said yesterday.

Dr Suthi said the Cabinet decided to postpone its decision on the budget bill because it wanted more time to study its details.

The Finance Minister said the 1988 budget will increase by 7 per cent over the current one. A source said the new budget has been set at 243,500 million baht. The 1988 budget will be equivalent to 19 per cent of the gross domestic products (GDP) which is expected to total 1,280,900 million baht, said Dr Suthi.

Nearly a quarter (24.6 per cent) of the budget has been earmarked for loan repayments while 16.3 per cent for investment. The investment budget will increase by 9.5 per cent or 3,400 million baht over the current fiscal year.

Dr Suthi said the Government seeks to lower the proportion of loan repayments and to increase the investment budget aimed at stimulating the economy. The funds for development projects will be about 36 per cent of the total budget, he added.

The Government will maintain the ceiling on foreign borrowing at \$1,000 million a year, he said.

A source said the government revenue is expected to total only 199,500 million baht for the next fiscal year, which means the budget deficit would be around 44,000 million baht.

BRIEFS

CHINA BUYS TOBACCO — China has agreed to buy 2,100 tons of Virginia tobacco worth about 100 million baht from five local firms in Thailand. The decision was made after a visit to Thailand of the managing director of Tobacco Import and Export Corporation of China in mid-March, according to the Thai commercial counsellor in China, who said the purchase will help boost domestic price of tobacco for benefit of planters. [Summary] [Bangkok Voice of Free Asia in English 1500 GMT 7 Apr 87 BK]

RICE EXPORT FIGURES — The Department of Foreign Trade has reported rice exports in the first three months of 1987 amounted to 1,232,686 tons, of which 377,641 tons were handled by the government and the remaining 855,045 tons by exporters. Thailand has also reached agreements to export another 381,171 tons of rice — with shipment of 251,171 tons due in April, 107,500 tons in May, 17,500 tons in June and 5,000 tons between July and December this year. [Excerpt] [Bangkok THE NATION in English 8 Apr 87 p 25 BK]

CPV CENTRAL COMMITTEE HOLDS SECOND SESSION

OW161544 Hanoi VNA in English 1537 GMT 16 Apr 87

[Text] Hanoi VNA April 16 -- The Central Committee of the Communist Party of Vietnam elected by the recent 6th National Congress held in Hanoi from April 1-9 its second session to settle urgent issues relating to the distribution and circulation of commodities.

Party General Secretary Nguyen Van Linh delivered both the opening and closing speeches.

The session pointed to the main causes of the worsening situation in the distribution and circulation of commodities and decided on a number of important remedy policies and measures.

Nguyen Van Linh Speech

BK170515 Hanoi Domestic Service in Vietnamese 1100 GMT 16 Apr 87

[Speech delivered by CPV Central Committee General Secretary Nguyen Van Linh to open the 1-9 April Second Plenum of the Sixth CPV Central Committee -- ready by announcer]

[Text] Dear comrades, the party Central Committee plenum we are holding today is aimed chiefly at resolving the pressing issues concerning distribution and circulation. This is an urgent task that is part of the broad program of action laid down at the sixth party congress which consists, among other things, of renovating thinking and conduct, carrying out the three programs, renovating the mechanism of economic management, launching major movements, and so forth. It is no coincidence that the theme of the party Central Committee Second Plenum is centered around the issues of distribution and circulation. Since 1981, although the central level has on many occasions held discussions and adopted decisions, the situation has, far from improving, become ever more serious. These issues now constitute a pressing and fundamental problem and a focal point of all difficulties facing our country's economy. The sixth national party congress charged the new Central Committee with the task of concentrating efforts on solving this problem. The political report to the congress pointed out: As an immediate step, effective measures must be taken to keep down inflation and the rate of price increases and to alleviate the difficulties facing the wage-earners. Only by so doing can we create the socioeconomic and psychological preconditions for accelerating the reform process.

Our duty, namely the duty of each party Central Committee member and the party Central Committee as a whole, is to answer directly to the aforementioned difficult problems facing life so as to meet the people's earnest and legitimate expectations. If this can be accomplished, we will surely take the first august step that provides a vigorous momentum for the steps that follow. I hope and deeply believe that in spite of serious difficulties, we will certainly strive to accomplish this at all costs; for there is no other alternative.

Comrades, before you start discussing the draft plan, I want to make some suggestions in the hope of further clarifying the manner in which the issues of the Draft Plan should be raised.

First, distribution and circulation -- which consist of many integral parts such as prices, circulation of supplies and goods, finances, budget, banking, wages, and so forth -- form an important link in the social reproduction process.

In its narrow sense, it guarantees both the input and output of production. Distribution and circulation are at the same time the conditions and results of production. Thus, the resolution of the distribution and circulation problem is closely related to the production process and the entire mechanism for managing the national economy.

Given such a complex nature of the problem, it is impossible for this plenum of the party Central Committee to resolve it all at once but rather step by step over a few years. The first step which is expected to be taken between now and the end of 1987 is aimed at resolving the urgent issues to get out of the current chaotic situation. Afterwards, we will have to continue to study the situation, make supplemental decisions and, especially, deal with new problems that may arise.

What we should pay the utmost attention to while marshalling out thoughts to discuss this all too complex problem is that each person must remain absolutely calm and sober to adopt correct solutions. A reliable basis is the viewpoints on renovation of the sixth national party congress. It is definitely forbidden for us to revert to bureaucratic centralisation and state subsidies; or, on the contrary, to plunge into the direction which is often referred to by many as the contract system. We must definitely avoid using the name of democracy and adopting a departmentalist, individualist, parochialist, or sectorial standpoint to tackle the issues. The principled stand is to uphold the common, overall, and national interests. For only by successfully resolving general issues facing the entire country will we have the conditions for dealing with the specific situation of each part, each locality, and each sector. On the other hand, when having to deal with new problems that arise from the diversified realities of life during an urgent situation we may be correct or incorrect, in spite of local and sectorial interests, to use the name of centralism, order, and discipline to introduce restrictive and conservative policies that are inconsistent with the objective realities. It is right now that we need to adopt new thinking and a correct concept about the relationship between centralization and democracy.

Another point worthy of special attention is that we must guard against a hasty and impatient mentality and the desire to overcome immediate difficulties at once by adopting policies and measures lacking in objectiveness and taking precipitate actions without adequate preparations. Otherwise, we will eventually repeat the mistake committed during the general readjustment of prices, wages, and money in late 1985.

We must take firm steps. Only by satisfactorily carrying out the previous step can we create the premises and necessary conditions for the next step. If we do it differently, this would lead our country to an immeasurably deep abyss. That said, it does not mean that we should do our work slowly and as we please; we must do it intensively, actively, and positively in accordance with the urgency of the issue that needs to be resolved with our all-out efforts.

Second, which issues are considered urgent and fundamental and should be dealt with first? Not much thinking is needed, for each of us can clearly see that inflation is currently a serious problem in our economy. It has intruded upon social life to such an extent that it daily affects every housewife and every citizen.

Within a year or more, the volume of currency thrown into circulation has increased by many times while the gross social output has increased by only 6 or 7 percent. Naturally, not all the money now in circulation is inflationary if we pay attention to the fact that the unit prices of goods have changed during that period of time.

However, a high rate of inflation is an undeniable fact. This is a tremendous challenge with which we must cope.

Meanwhile, we must realize that inflation is a combined manifestation of many contributing factors, which consists directly of budget overspending and galloping price increases. It also results, to an important extent, from many negative phenomena in the distribution of supplies, raw materials, and goods; from the practice of increasing prices at will to pocket money from price differentials; and from competitive sales and purchases.

The deep and fundamental causes of this situation are low production output, the big gap between supply and demand, and the great imbalance between money and goods. Here I want to call your attention to the fact that we have been in this situation for many years now, but never before has inflation worsened so fast, prices increased so unexpectedly, and the lives of wage earners and members of the armed forces become so much more difficult as last year.

In the state sector, many different systems of distribution of income have been applied at will, causing big differences and revealing many negative phenomena. Only a part of the population has engaged in illegal business while speculators, smugglers, and a number of degenerate and deviant cadres and civil servants have resorted to every available trick to quickly enrich themselves and to lead a luxurious life at the expense of the state and the laboring people.

This actual situation of distribution not only violates the principle of social justice but also destroys the momentum of production, business, and other activities. What conclusion can we draw from this situation? The conclusion is that we cannot say that we should solve the issue of production first and the issues of distribution and circulation later. Some comrades hold that to extricate ourselves from the present situation, it is necessary for us to deal with the problem at the production process.

It is correct that we must start from the production process but we cannot set the whole black box [toanf booj cais hoopj den] in vigorous and immediate motion. This requires time. The problem is that the actual situation of distribution and circulation at present cannot create the premises and conditions for us to encourage the development of production and stabilize life one step further. On the contrary, it makes production and life even more difficult.

Now we must concentrate all-out efforts on vigorously overcoming the direct causes of inflation — continuous budget overspending and skyrocketing price increases. Only on this basis can we ensure the actual wages of the laboring people and minimize the difficulties in their daily life.

All factors exerting a direct effect on inflation have their own relatively independent positions. Therefore, we can only improve the situation and step up production and business activities by dealing more satisfactorily with the issue of distribution and circulation.

This approach to the issues has led us to study and resolve to a certain extent the following issues at the second plenum of the party Central Committee: First, policies for prices and the circulation of supplies and goods; second, policies and measures for limiting budget overexpenditure and reducing the rate of inflation; and third, policies and measures for resolving wages and the livelihood of workers, state employees, and members of the armed forces, as well as of retirees and the laboring people in both urban and rural areas. The requirements of this step are to realize four reductions — namely reducing budget overexpenditure, reducing the rate of price increases, reducing the rate of inflation, and reducing the difficulties facing the laboring people's life — to contribute toward liberating production forces and broadening the circulation of goods, and to shift economic activities to economic accounting and socialist business.

This step is to be taken between now and the end of 1987. By the end of this year, we will review our activities and, on the basis of the situation and the newly gained experience, set forth the requirements, targets, and measures for the next step.

I want to stress this point: Although we plan only to settle by a step the issues of distribution and circulation, it is necessary to bring about at all costs a marked and effective change within a certain period of time. We must definitely not allow the situation to remain as it is or to deteriorate any further.

Following the sixth party congress, our people are waiting for and sternly demanding positive changes. Life does not permit any more procrastination.

Third, we are talking about the steps to be taken in the process of effecting various solutions to the distribution and circulation issues, but the principles and general viewpoints that serve as the basis for the solutions for each step must be consistent and generate neither contradictions nor bottlenecks. They are the principles and viewpoints expounded in the resolution of the sixth party congress. The congress pointed out: The mistakes committed over past years in the field of distribution and circulation stem from errors in arranging the economic structure and socialist transformation and from the all too long maintenance of the mechanism of bureaucratic centralisation and state subsidies in economic management. If the resolution of the distribution and circulation problem is separated from these basic issues, we will not be able to take any step forward; for we will have neither the orientations nor the basis for realizing it.

To change the situation in a fundamental manner it is necessary to rearrange the economic structure along the line of channelling resources for the three major economic programs concerning grain and food, consumer goods, and goods for export. This requires that we resolutely readjust the portfolio for investment in capital construction, utilise sources of capital more rationally, and avoid deepening the existing imbalances. It is necessary to invest in projects and products that quickly bring about socioeconomic returns. This is a firm foundation serving as the basis for stabilising distribution and circulation.

A fundamental solution to distribution and circulation cannot lie outside the guiding thought of liberating all the existing production capabilities, exploiting all of the country's latent potentials, and making effective use of international assistance, first of all that of the Soviet Union and other fraternal socialist countries. To a certain extent, this is related to the transformation and utilisation of the various economic components. All policies on distribution and circulation must be aimed at unleashing all the existing potentials and bringing into play the great values that still lie dormant in the social reproduction process.

Realities at many localities and sectors have demonstrated that if correct policies are enforced, moribund capital, natural resources, labor, idle money, and so forth will become active capital serving the entire economy as well as realistically benefiting each individual, each family, and each laboring collective. Through various suitable transitional economic forms, many new production capabilities will emerge from among the people, thus turning out great quantities of products for society and helping to narrow the gap between commodity supply and demand. Recently, a number of provinces and municipalities promulgated various measures designed to develop artisan and handicrafts production and services, and this has brought about initial results.

Naturally, to change the situation and satisfactorily transform and utilize other economic components, the socialist economic sector which is composed of the state-run and collectivized components must grow big and strong so that it will be fully capable of assuming a leading core role, have the strength to set an example, and carry out management throughout the sector satisfactorily.

The party and state must create favorable conditions in terms of systems, policies, and organizations for state-run and collective economic installations to operate effectively. All solutions to the distribution and circulation problems for the immediate as well as long-range future must necessarily reflect clearly the viewpoints of opposing bureaucratic centralism and subsidization to shift to socialist accounting and business transactions and to correctly implement the principle of democratic centralization.

We must admit that thus far the inertia of the old way of thinking, which is manifested in the economic management organization in general and in distribution and circulation in particular, has been very serious. If we do not renovate the viewpoints and work behavior in accordance with the spirit of the sixth party congress, we will have no way of resolving the problem of distribution and circulation. Experience has shown that once in the quicksand of bureaucratic centralism and subsidization, we will be drowned by it. Another way must be sought -- and that way is socialist accounting and business. Prices, money, materials, and finance must be based on business enterprise. We cannot prolong forever the state of extensively using the budget to cover losses of production inputs to the point that the state loses scores of billion of dong each year.

We cannot continue the usual way in which the state purchases agricultural products and commodities and resells them to workers, civil servants, and other recipients at too low prices to the extent that the money required to cover these losses accounts for one third of the budget.

Economic accounting is simply untrue when we determine production costs and wages at a lower level than the value of machinery, equipment, raw materials, and fuel. Needless to say, you comrades already know that such policies have radically bankrupted national finances. How can we determine costs and avoid bureaucratic centralism and subsidization while being able to buy and sell on the basis of business enterprise without taking the liberty of casually increasing prices or of running after the free market prices.

We should expand the business environment and make a channel for goods to circulate without staying out of the orbit of the planned economy. These are problems that the project must resolve correctly from the angle of socialist accounting and business.

We should also realize that the eliminations of subsidization in the economy constitutes a long process. It is not right to hastily eliminate subsidization by correctly and adequately calculating production inputs which leads to sudden increases in prices, or to maintain the status quo in the name of caution. In this connection, there should be a specific analysis of specific problems.

Using various calculating projects, we should carefully consider to what extent production inputs should be rationally used with regard to each type of materials and goods. In principle, production inputs should not cause sudden changes and an escalation of social market prices. In this connection, the lessons of the two adjustments of prices in 1981 and 1985 have given us valuable food for thought.

Fourth, distribution and circulation by itself as well as its relationship with the process of recycling social production encompasses several contents. This requires a systematic and uniform connection in dealing with each component factor. The way of isolating factors for consideration by separating this from that aspect will certainly harm the overall body. For example, the determination of prices is directly related to the determination of scales of wages, budget, and currencies.

The determination of prices for each type of materials and goods has a chain impact on a series of other materials and goods. In the same way, there is a close mutual relationship between the prices of agricultural products and commodities and those of industrial goods. When the balance of these general relations is destroyed, they, in turn, will upset the component factors. The question mentioned here is not limited only to technical and professional domains. Karl Marx said: Social relations are values, human relations in the course of production and business, and the relations of work exchange crystallized into goods. Equal price is the dominant principle in these relations. When this fundamental principle of production and goods exchange is violated, the motive force of production and business will inevitably be decreased or eliminated.

The situation regarding production performance in last year's sugarcane crop serves as a typical example. As we purchased from peasants at too low a price -- not enough to cover their production costs -- it is natural that they did not sell the sugarcane to us but rather to private traders or to private operators of manual sugarcane presses. Conversely, when we sold industrial goods to peasants at too high a price, they raised the selling prices of their farm products accordingly. The price level thus keeps increasing against our will. These price relations, once out of control, adversely affect the relationship between the working class and the peasantry as well as between industry and agriculture. These examples are sufficient to testify to the complexity, sophistication, and sensitivity of the question of distribution and circulation. It requires us to deal with it strictly and scrupulously and with a scientific attitude. Those things such as acts at one's own convenience, inflexibility, arbitrariness or loose control, and spontaneity will lead to disastrous consequences.

Also, we cannot stop at general standpoints and principles. Although these standpoints and principles are very important, they are not sufficient for us to resolve the problem. We must simultaneously map out specific plans in which inter-sector relations are to be reflected. It is these specific and quantitative plans which serve as a yardstick to measure the level of implementation of various solutions aimed at realizing and officializing various general viewpoints.

This is a lesson of experiences that we have drawn on from the implementation of the resolution of the Fifth CPV Central Committee's Eighth Plenum on the question of prices, wages, and money. These experiences will guide us in renovating our work style this time.

The mapping out of a general draft plan must be simultaneously linked with efforts to devise specific plans. Formulating these specific plans requires an entire undertaking. Therefore, in this plenum, we cannot come up with all specific answers right away. All solutions, though being further quantified, cannot be regarded as adequate. After this plenum, responsible organs must continue to make further calculations. In addition, according to my opinion, this duty rests not only with central organs but also with various localities, especially with various production and business establishments. This is because they themselves are the people who carry out various plans and who know well what can and cannot be done. We must attentively listen to and respect their voice. Rounding off suggestions brought up by lower echelons and selecting good suggestions in order to supplement plans will demonstrate the renovation of our work style aimed at ensuring the principles of democratic centralism.

In order to come up with correct solutions, we must thoroughly analyze the specific and direct causes of the situation. Facts show that though dealing with the same situation, one may interpret in different ways the causes leading to it. Only by clearly determining the causes can we find appropriate solutions and only by correctly diagnosing a disease can we find an effective cure.

Practical and effective solutions must necessarily be linked with efforts to take an important step toward renovation in the mechanism, policies, organization, and cadres. We must admit that our concepts and work methods in these domains are far more backward, given current circumstances. They are the greatest obstacles on the path of renovation laid down at the Sixth National CPV Congress.

Simultaneously, all solutions to the question of distribution and circulation must be linked with the motivation drive to purify the party, do away with indications of corruption in the state apparatus, dispel all negative phenomena in society, and uphold the laboring people's collective mastery.

Dear comrades: This plenum is of great significance. It requires that in his official capacity as a representative of a sector, locality, or establishment, each member of the Party Central Committee must uphold the common and overall interests if he is to have correct thinking and find effective solutions capable of quickly effecting a change in the situation.

I would like to end here and declare the Sixth Party Central Committee's Second Plenum open.

I hope that the plenum concludes with fine success and will meet the pressing aspirations of the people as well as of party cadres and members nationwide.

Communique on CPV Plenum

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[Communique on the Second Plenum of the Sixth CPV Central Committee held 1-9 April]

[Text] The Second Plenum of the Sixth CPV Central Committee was held from 1-9 April 1987. Comrade General Secretary Nguyen Van Linh delivered the opening and closing speeches at the plenum.

The second plenum of the CPV Central Committee implemented one of the important tasks laid down at the Sixth CPV Congress, namely resolving urgent problems concerning distribution and circulation.

The plenum noted that the situation concerning distribution and circulation has worsened with each passing day since the general readjustment of prices, wages, and money in late 1985. This situation has adversely affected the entire production and business environment and social life. This situation is due to a combination of many factors that together generate an impact on the economy and social life, the main and direct root cause of which is the all too long maintenance of the mechanism of bureaucratic centralization that violates the objective law of economic management.

The fundamental and imperative orientations for resolving this situation consist of doing away with the mechanism of bureaucratic centralization and state subsidies, shifting economic activities to economic accounting and socialist business in accordance with the principles of democratic centralism, getting the entire system of production and circulation moving in accordance with objective law, and achieving a quick increase in social products.

The plenum pointed out: The resolution of urgent problems concerning distribution and circulation is aimed at reducing the rates of budget deficit, price increases, and inflation and at alleviating difficulties facing the life of the laboring people on the basis of doing away with the mechanism of bureaucratic centralization and state subsidies, shifting economic activities to economic accounting and socialist business, enhancing the leading role of the state-run sector in the economy while developing the positive capabilities of other economic components, expanding the circulation of goods, and liberating production forces.

In resolving these problems, it is necessary to be thoroughly aware of these key lines of thinking:

First, renovate the distribution and circulation-related mechanism, policies, and organization in the direction of correctly applying various economic laws with the use of planning as a central task, broadening the relations between goods and money, shifting completely to economic accounting and socialist business, and combining these with the renovation of other work links in the management mechanism.

Second, steps must be suited to actual conditions and must be both positive and firm. It is urgent to undertake those measures which are obviously necessary and practicable and to guard against the mode of doing things hastily and simplistically, especially without preparation, creating major upheavals and adverse socioeconomic consequences. In each step, there must be uniformity in policies, measures, and organization while concentrating on resolving key problems in order to alter the situation.

Third, strengthen the efficiency of the centralized and unified leadership of center in conjunction with efforts to vigorously develop the dynamism and creativity of various establishments, localities, and sectors and to generate a mass revolutionary movement in resolving urgent problems concerning distribution and circulation. This must be linked with the motivation drive to purify party organizations and the state apparatus and to make all social relations healthy.

Fourth, effectively use and broaden various forms of international economic cooperation, especially with the Soviet Union and other socialist countries in order to obtain more conditions for resolving urgent economic problems.

The party Central Committee plenum has decided on the following important policies and measures:

Policy on goods exchanges between the state and peasants: Except for taxes, which are a compulsory obligation, henceforth sectors and echelons are forbidden either to arbitrarily obligate cooperatives, production collectives, and peasant households to deliver their products; or to establish additional contribution obligations, thereby causing losses to the people. It is necessary to carry out more satisfactorily the motto that the state and people work together.

The policy on agricultural tax has been improved with the aim of encouraging production. Various cooperatives and production collectives must set appropriate product contract quotas. The tax rates and product contract quotas will be stabilized until 1990.

All relations of goods exchanges between various state economic organizations and agricultural cooperatives, production collectives, and peasant households must be carried out in accordance with the principle of equality, of mutual agreement in trade, and of ensuring the consolidation of the worker-peasant alliance.

The state will reset a rational rate of exchange between materials and agricultural products on the basis of encouraging production. The prices of purchasing paddy and other agricultural products under contract as well as beyond contracts, must be based on the principle of consent in order to ensure that the peasants can, under normal production conditions, offset the essential social expenses and make a 30-40 percent profit over production costs. Rates of profit vary according to the kinds of products and areas. The profit rate on paddy is 40 percent.

The purchase and sale of products must be settled by cash in accordance with the agreed-upon price as mentioned in contracts. This method must be applied extensively.

The party Central Committee plenum has decided to shift all state grain trading activities to the socialist accounting and business system. Various grain business organizations are responsible for ensuring a sufficient supply of grain for recipients as defined by the state. They will be granted due authority and facilities commensurate with their responsibilities. They must carry out their business in accordance with the system of financial autonomy, of meeting expenses by themselves, of making no profit in selling grain to the appropriate sectors, and relying on no state compensation for losses. These business organizations must develop integrated business involving purchase, sale, and import, and export of rice, secondary crop products, foodstuffs, and so forth. They must use profits obtained from one trade to compensate for losses in another.

The shifting of the grain business mechanism must be urgently carried out in order for it to be ready for the early 10th-month rice and 10th-month rice crops in 1987. In the immediate future, regarding the purchase of grain under contract for this year's winter-spring and summer-fall crops, it is necessary to temporarily maintain the current price indexes and levels in localities. In addition to purchasing grain under contract, localities can buy the remaining agricultural products and goods at agreed-upon and flexible prices, while gradually overcoming the volatility of prices in the free market.

It is imperative that state business organizations strive to meet the requirements of materials for agriculture, immediately reorganize the trading of materials and goods, and ensure the prompt delivery of materials and goods to cooperatives, production collectives, and peasant households at set, prices and free from losses. They must not arbitrarily add other expenses or make irrational profits out of these goods through various middle levels, thus causing an increase in prices.

On the principle of ensuring full implementation of tax obligations and contracts already signed with state economic organizations on the sale of products, cooperatives, production collectives, and peasant households have the right to freely circulate and consume [tieu thuj] grain and food and other marketable agricultural products, except a number of products that are banned by the state from free circulation.

The party Central Committee's plenum adopted policies toward state-run enterprises aimed at shifting these enterprises to economic accounting and socialist business and enabling them to develop their leading role in the economy to guarantee the interests of the state, the collectives, and the laboring people. Prices at both the incoming and outgoing ends will be correctly and fully computed in order to promote economic accounting and socialist business; but it is necessary to take one step at a time to avoid creating obstacles to production and circulation and upsetting commercial retail prices and to match the purchasing power of the laboring people. Based on a rational price indexing system for imported goods, the state will calculate in full the prices of supplies and appraise the depreciation of fixed assets at selective rates for each sector and will adopt different handling methods at the delivery end depending on the types of products and the categories of enterprises involved.

State-controlled supplies provided to state-run enterprises according to plan norms and set quotas must be handled through business procedures through which they will be purchased and sold under contracts with their prices subject to rational adjustment. The selling prices of products turned out by enterprises for circulation organizations shall be established on the basis of subtracting circulation costs from the commercial retail prices in the case of consumer goods or from the wholesale prices of supplies in the case of production materials so as to guarantee the right accumulation of revenue for the state budget in the production process.

In 1987, the system for accumulating revenue from the state-run sector will be renovated by doing away with the method of calculating profit norms based on the production costs of each enterprise. State-run enterprises are allowed to employ different forms to mobilize capital from all collectives and individuals at home as well as overseas Vietnamese.

The party Central Committee's plenum also adopted policies toward the artisan and handicrafts sector. Policies toward the individual economy and the private capitalist economy will be institutionalized and concretized in the spirit of the sixth party congress resolution so that all people can feel at ease when investing capital in production and business. Encouragement will be given to such forms as joint capital investment, cooperation, and collective business from a low to high level; and to various forms of integration with socialist economic components.

Regarding collectivized, family-run, individual, and private capitalist artisan and handicrafts production establishments, state business organizations will sell supplies to them at commercial prices that are equivalent to the selling prices in the state-run sector; and will purchase their products at agreed-upon prices, chiefly through economic contracts and on the principle of equality. Producers have the right to freely distribute products not under contract in accordance with the state's policy on the circulation of goods. Labor contract prices must be fixed on the principle of consent to ensure that the producers will earn an appropriate amount of income and profit; and coercion and officialism as well as other negative practices must be done away with. The format of trade labor contracts will only be applied chiefly to products made of precious and rare raw material. Establishments producing goods for export are entitled to use part of the foreign currency they earn for importing supplies needed for production.

The tax system as applied toward the small-industry and handicraft sector is to be improved and will reflect special treatment as compared with the trade sector. The state will apply tax exemptions or tax reductions to a number of export products for newly-built or expanded production establishments in accordance with priority economic objectives and will announce a unified tax policy. Localities are not allowed to create any kind of taxes or levies other than those prescribed by the state. It is necessary to check the declaration of business revenue and tax payments and to exact penalties in accordance with the law in cases involving tax fraud and tax evasion.

All socioeconomic policies regarding collectivized, individual, and private capitalist economies are to be reexamined in order to abolish all narrow-minded prejudices and irrational stipulations characteristic of discriminatory treatment such as those in the credit system, material supply, the stipulations on student recruitment and on the training of technical cadres and workers, and the standards for sending children to day-care centers and kindergartens.

The activities of various supply, domestic trade, foreign trade, and transportation organizations must vigorously shift toward business, be financially self-governing, and accept the responsibility for losses or benefits.

It is necessary to lift control over the flow of goods along with vigorously shifting socialist trade to business, to continue to immediately do away with all forms of banning circulation and dividing the market in accordance with administrative boundaries, and to satisfactorily carry out the policy of removing all goods checkpoints along communications routes throughout the country.

The trade sector must strive to seize the social market in terms of essential goods and must not randomly raise prices in order to profit from price differences in addition to trade discounts. The activities of the state-run trade sector must be reorganized in an attempt to remove superfluous middlemen and drastically reduce irrational transportation expenses. General corporations at the central level must deliver goods directly from wholesale centers to retail trade enterprises. It is necessary to quickly abolish all the trade organizations to those public organs and units without any functions or any authorization to engage in trade and to duly punish speculators, smugglers, and embezzlers in trade activities and in the state apparatus.

The communications and transportation management system must be renovated in the direction of carrying out economic accounting and business in order to meet the demand for broadening the flow of materials and goods. Collectivized, family-run, individual, and private economies will be encouraged to purchase and build transportation means, and register transportation business services, chiefly short-range transportation.

The party Central Committee plenum decided on an export-import policy and the exchange rate. The plenum acknowledged urgent demands for alleviating difficulties and gradually stabilizing the life of workers, civil servants, and members of the armed forces and for gradually tackling the question of salary and welfare in a positive and firm manner in keeping with production performance and the capability of achieving a balance in the budget as well as in money and goods. It is necessary to come up with comprehensive measures if these demands are to be met. It is most important that the tackling of the salary question must be linked with efforts to reduce the rate of price increases in the social market and to encourage and help the development of family economies in production and support services. Workers and civil servants are allowed to work privately during their off-duty hours. The situation at present does not permit an immediate change in the wage system promulgated in September 1985. Instead, we can readjust part of it, particularly the number of wage scales for technical workers and scientific and technical cadres, while adopting the form of products-based wages and bonuses to partly overcome the character of egalitarianism and the irrationalities in the wage system now in force.

For the army and the public security forces, the state will provide combatants and noncommissioned officers with adequate grain, food, and military uniforms and equipment in accordance with the set quantitative norms and at the correct time intervals and locations, with priority being given to those forces operating on the frontline and in areas of hardship. For officers and career military men, price differentials shall be added to their salaries as in the case of workers and state employees.

For workers and state employees in the production sector, efforts will be made to restore their actual wages to the level established in September 1985; and the wages paid will be fully computed into the manufacturing costs of products or circulation expenses. On the basis of developing and enhancing the efficiency of production, it is necessary for enterprises to cover the wage funds by themselves while ensuring implementation of the state plan, including the provision for contribution of revenue to the state budget; and to put an end to the use of products or illegally earned sources of income for paying wages and bonuses or for internal distribution. For a number of enterprises that are not yet able to cover the wage funds, the state will deal with them on a case-by-case basis.

It is necessary to broadly apply the system of contract and product-based wages while reviewing remuneration norms and closely enforcing product quality control.

Regarding year-end bonuses that are not covered by the wage funds, it is necessary to temporarily set a cap to limit the excessive difference in income among enterprises. In particular, the payment of bonuses in recognition of inventions and technical innovations should be encouraged.

For workers and state employees of the administrative and service sector, it is necessary to restore step by step their actual salaries to the level established in September 1985. In those localities where conditions permit, price differentials should be added to the wages based on the minimum wage in kind established in September 1985 and computed at commercial prices. As an immediate step, the percentage of the wage readjustment in comparison to the actual wages established in September 1985 shall be decided by the various provinces and municipalities depending on their actual capability for balancing goods with money and for balancing their budgets; and an agreement will be reached with the Ministry of Finance to ensure uniform application for all workers and state employees under the central level's payroll who reside locally. The Council of Ministers shall provide close guidance over the wage readjustment so as to prevent adverse upheavals and avoid too great a difference between various localities and sectors.

For those localities that are not ready to add price differentials to wages in the immediate future or will only readjust wages based on the prices of six items of ration goods, the payment of hardship allowances will be authorized depending on their budget.

Regarding scientific and technological cadres, scientific and technological research establishments and their cadres will be encouraged and provided with conditions to establish direct contact with production and business organizations and establishments under different forms so they can supplement their income by making effective contributions to production. Technological research, application, and development establishments must gradually shift to the system of economic accounting and bear part or all of their expenditures themselves.

For workers and state employees of the education and public health sectors, beside giving them the regular benefits, schools and hospitals will arrange for them to teach classes or provide medical services outside office hours to supplement their wages.

For administrative management organs and components engaged indirectly in production, it is necessary to rearrange the apparatus and drastically streamline the table of organization and to apply the wage fund contract system to those organs that have rearranged their organization. A rational percentage of persons engaged indirectly in production should be determined. Aid in the form of materials and capital and incentives should be given to encourage those persons declared surplus from the administrative sector and those components engaged indirectly in production to shift to direct production and service activities, including the collectivized economic sector.

For village and subward cadres, we must readjust their allowances in accordance with the current cost of living and urgently study measures to quickly formulate policy to provide them with better treatment. Allowances for retired persons and those subjected to social welfare will be appropriately readjusted in accordance with the wages paid to workers and state employees in the administrative and service sectors. We must strive to take measures to help those who are facing difficulties in their daily life, especially seriously wounded soldiers, poor families of fallen heroes, and retired revolutionary veterans.

The party Central Committee plenum has decided on many policies and measures aimed at increasing revenue, reducing the budget deficit and the rate of inflation, perfecting state banks, and developing various specialized banks.

These urgent measures for distribution and circulation are carried out amid numerous difficulties, yet some favorable conditions do exist. We must stir up the mass revolutionary movement, combine this task with the campaign to purify the party organizations and state apparatuses, and create a healthy atmosphere in social relations. Party organizations of various echelons must clearly inform the people of the various difficulties of the nation, the party and state objectives to solve them, and the responsibility of each person, party organization, and mass organization to implement these tasks. They must make everyone clearly realize that the key point to satisfactorily carrying out these resolutions is that all echelons, sectors, and grass-roots units must vigorously shift to the socialist accounting and business system; strive to develop production to obtain high productivity, quality, and economic results; and strictly practise thrift, thereby ensuring the interests of the state, collectives, and the workers.

The CPV Central Committee Second Plenum, sixth term, called on our entire party and people to clearly realize the current situation and their duties, develop the spirit of mastery of their nation, achieve unanimity, and be determined to implement at all costs immediately various pressing policies and measures on distribution and circulation, thereby contributing to fulfilling the objective of stabilizing the socioeconomic situation as set forth by the Sixth CPV Congress resolution.

LATEST CROP PEST, DISEASE SITUATION REPORTED

BK111540 Hanoi Domestic Service in Vietnamese 1430 GMT 10 Apr 87

[Text] The Plant Protection Department recently issued the following communique on the situation concerning harmful insects and diseases:

In the northern provinces, brown planthoppers and rice planthoppers have appeared over a large area. Nghe Tinh, Thanh Hoa, Ha Nam Ninh, and Hai Hung provinces each have tens of thousands of hectares affected. Rice blast has also struck about 130,000 hectares of rice, especially those rice plantings that are entering the earing stage. Paddy flies and green rice bugs are also causing extensive damage to the rice crop. In addition to this, stem borers and leaf rollers are also appearing.

In the coming days, brown planthoppers, rice planthoppers, and rice blast will continue to spread and damage the rice crop. Therefore, all localities should urgently eliminate harmful insects and control rice blast to protect the rice crop by using nets and traps, removing egg nests of rice mealy bugs and stem borers from the rice plants by hand, and spraying chemical solution in areas with a high density of pest infestation.

In the southern provinces, rice blast has also damaged more than 35,000 hectares of rice. In addition, leaf folders and stem borers have appeared en masse.

In the coming days, although harmful insects and diseases will gradually lessen their damage to the winter-spring rice in the southern provinces, they will turn to striking the summer-fall rice seedlings. Therefore, urgent efforts must be made to control rice blast that harms the rice ear stems and eliminate various types of harmful insects infesting the spring-summer and summer-fall rice seedlings.

AQUINO SAID TARGET OF COUP PLOTTERS' MURDER SQUAD

HK161515 Manila THE MANILA CHRONICLE in English 16 Apr 87 pp 1, 5

[By staff members Lito Mangaser and Malou Mangahas]

[Text] Fugitive Lt. Col. Reynaldo Cabaatan headed a group sent to assassinate President Aquino and other government officials in the "Enlisted Men's Revolt" allegedly thwarted over the weekend, a source told the 'CHRONICLE' yesterday.

However, Defense Minister Rafael Ilete and Armed Forces Chief Gen. Fidel Ramos again denied that another coup was mounted Saturday.

Ilete blamed a "telephone brigade" within the military for "distorting information deliberately" and sowing "rumors" that another coup had been tried but aborted.

Aside from Mrs. Aquino, the other targets of the Cabaatan liquidation squad were Ilete and Ramos, the source said.

Cabaatan went into hiding following his alleged involvement in the latest coup attempt in late January.

According to the source Cabaatan's squad was one of four teams formed to carry out the coup.

Another team, headed by a master sergeant, would occupy the International School in Makati to divert attention while a relatively bigger group, led by another fugitive officer, Col. Rolando Abadilla, would take control of vital military installations and communication facilities, the source said.

Meanwhile, another "combat support group," led by an Army colonel in the active service, would stand by in a Central Luzon military camp ready to respond to calls for assistance of "distressed" units, the source added;

But Ilete and Ramos insisted there was no such coup.

The two visited Mrs. Aquino yesterday morning together with members of the US House Committee on Veteran Affairs and the Disabled American Veterans Association.

On the "telephone brigade," Ilete said three or four groups that had mounted failed coups in the past, including Marcos Loyalists, were involved.

He did not specify but said they were the "same groups that sought to destabilize the Government."

He added: "The (telephone) brigade members call really to distort information deliberately."

However, he and Ramos said the military had to take precautionary measures just the same while the reports were being verified.

Ramos reiterated that half of the troops in Metro Manila were placed on alert status last weekend only in response to intelligence reports that "must still be confirmed or verified."

According to Ileta, "there have been rumors floating around in the last two weeks about a coup."

But he argued that if the plotters were given this two-week time to mount a coup, "it's no longer a coup, it's just one of those reports."

Thus, no coup had been attempted at all although "some people may have thought about it," Ileta said.

Mounting or making the coup succeed is "almost impossible," he said.

Malacanang and other civilian officials had no knowledge of the plot because the reports were "not good intelligence," according to Ileta.

He explained that through an "intelligence cycle," coup plot reports are first processed before they reach his desk. Confirmed intelligence data are what he relays, in turn, to Malacanang, he said.

A TV network reported Tuesday that Cabauatan had accused Ramos of having his own coup agenda.

"Ramos has been planning this since middle of last year. Now that he feels that the time is ripe for execution, he discovered that he could not get the support of the enlisted men," the television broadcast quoted Cabauatan.

While Camp Aguinaldo high command has denied knowledge of the alleged coup, other 'CHRONICLE' sources insisted that Ramos had known the plot a few months ago.

Officers Deny Allegations

HK161345 Manila MANILA BULLETIN in English 16 Apr 87 pp 1, 7

[Text] Three military officers, who were ordered arrested for alleged involvement in three failed coups, denied yesterday the accusations against them, saying that "it is merely a coverup for an actual plan conceived and slowly being implemented by the present military leadership."

The three officers are Brig. Gen. Jose Ma. Zumel, former superintendent of the Philippine Military Academy [PMA]; Col. Rolando Abadilla, former intelligence chief of the Metrocom; and Lt. Col. Reynaldo Cabauatan.

In a joint statement, they said that the charges were "simply designed for purposes other than presenting the real story."

Zumel, Abadilla, and Cabauatan went into hiding after warrants for their arrests were issued by Maj. Gen. Renato de Villa.

Zumel was suspected as the mastermind in the bomb explosions at the PMA last March 18.

The former FMA chief said that "the coup story is another hysterical reaction typical of the present military leadership in the light of their continued failure to gain the support of the military establishment and the loyalty of the great number of enlisted men."

Abadilla said that "the present military high command has run out of people to blame for the growing unrest within the military and they always find it convenient to put the blame on us."

Cabaatan, who was reported to have been hiding in Nueva Ecija, said the latest accusation hurled against them is merely a "coverup for an actual plan conceived and slowly being implemented by the present leadership of the military to overthrow the Aquino government and install a military junta with General Fidel Ramos as the head."

The military ordered the arrest of the three officers for the alleged failed coups.

NPA CLAIMS U.S. ADVISERS CONFERRED WITH MILITARY

HK170951 Hong Kong AFP in English 0913 GWT 17 Apr 87

[Text] Manila, April 17 (AFP) — Communist New People's Army (NPA) guerrillas have claimed that two U.S. military advisers were spotted attending a closed-door conference with Philippine military officials in the northern city of Laoag last week, a newspaper reported Friday.

The rebels did not specify who the advisers were or what they were doing in the area, the MANILA STANDARD said, citing an interview with NPA spokesman Antonio Castro.

U.S. Embassy spokesmen were unavailable for comment.

In a related report, THE MANILA CHRONICLE quoted visiting U.S. Congressman as saying they would bring up before the U.S. Congress the possibility of sending U.S. military advisers to the Philippines to help fight the insurgents.

"It has worked well in El Salvador, where we have 58 advisers, although I thought the number should have been eighty," the CHRONICLE quoted Congressman Gillespie Montgomery, the head of a U.S. delegation which ended a four-day visit to the Philippines Friday, as saying.

Mr Montgomery said the United States had yet to encounter problems with a "small number" of U.S. technical advisers detailed at the joint U.S. military advisory group here, the newspaper added.

The Philippines is host to the U.S. Clark Air and Subic Naval Base, both located northwest of Manila.

Meanwhile, NPA rebels in mountainous Kalinga-Apayao Province claimed to have shot down a Huey helicopter during intensive military operations in the area last week, the STANDARD reported.

Defense Secretary Rafael Ilete said Wednesday that military operations in the north, which began in March following reports that NPA leaders would be meeting there, were continuing but that there were "no big encounters so far."

He described the military offensive as "denial operations" aimed at depriving the NPA rebels of a guerrilla base in the region.

At least 50 bombs have been dropped in four valleys of the province in successive air strikes since the operations started, killing at least three civilians and wounding four others, the STANDARD reported.

In another incident, at least seven NPA rebels were killed and three captured in a week-long military operation along the boundary of Surigao and Agusan Provinces in the southern Philippines, the MANILA BULLETIN said.

Meanwhile, some 50 NPA guerrillas allegedly disrupted two campaign rallies in the central island of Samar Tuesday and took cash and valuables from a congressional candidate and several people in the crowd, the official PHILIPPINE NEWS AGENCY (PNA) reported Friday.

Hilda Rualles Torrevillas, an opposition candidate in Samar for the lower house, was among those robbed, PNA said, citing military reports.

Before they fled, the rebels reportedly warned the residents that they would create violence and snatch ballot boxes in the May 11 congressional elections if the candidates of the leftist People's Party lost, PNA added.

MNLF, GOVERNMENT AUTONOMY TALKS, RELATIONS

Peace-Keeping Force Sought

HK161523 Quezon City ANG PANAYAGANG MALAYA in English 16 Apr 87 pp 1, 2

[Text] The Moro National Liberation Front [MNLF] is seeking the formation of a 60,000-strong Muslim Army to act as peace-keeping force in what it envisions as a wholly autonomous Mindanao, Sulu, Tawi-Tawi and Palawan, MNLF chairman Nur Misuari said in a television interview aired the other night.

Misuari said the government has agreed to proposed setting up of a regional security force, but of smaller number.

The MNLF chief negotiator, Habib Mujahab Hashim, disclosed the other day that they had rejected the government's offer of self-rule for 10 provinces.

Hashim reiterated the MNLF's demand for autonomy for all 23 provinces, many of these Christian-dominated, that make up the southern Philippine region.

Hashim, speaking after a meeting with government Chief Negotiator Emmanuel Pelaez, warned that Muslim guerillas would attack Manila if peace negotiations collapsed.

From Zamboanga City, MALAYA Correspondent Manuel del Carmen reported that the city government yesterday adopted a resolution opposing an alleged demand from Misuari that Brig. Gen. Cesar Tapia, Southern Command chief, be replaced.

The 10-man City Executive Council said giving way to Misuari's demand would be "tantamount to a complete betrayal of the interest and welfare of the majority of the peace-loving people of Mindanao."

In the television interview which was taped in rebel base on Sulu Island, Misuari told talk show host Ricardo Puno that his group is not seeking independence.

Misuari said that during recent peace talks with the government, now suspended, "we were proposing the creation ... of an executive office (for the region) ... and also of a small cabinet ... of 15 ministers and a deputy minister, and also the creation of a regional parliament and congress. Then there is the creation of a regional supreme court to implement the laws."

"At the same time we proposed a regional security force," he continued. The government "agreed to this but they want us to limit the number. We wanted (a force) of 60,000 men. I thought this was quite small ... but they say it is dangerous for Muslims to wield such a powerful machine."

Compared to Misuari's proposed 60,000-strong regional security force, the Armed Forces of the Philippines and the Integrated National Police have a combined strength of 257,000 regular and paramilitary members.

Misuari, wearing a multi-colored bandanna around his forehead and surrounded by heavily armed men in jungle fatigues, did not say if he offered to compromise on the size of the security force. Asked if the MNLF was receiving funds from abroad, Misuari said: "It is natural. How can we survive if we do not get the solidarity of world community."

Asked specifically about the supply of weapons, Misuari said, "we get this through the courtesy of some smugglers This is (also) through the courtesy of the Armed Forces. They attack us only to leave their supplies, sometimes including their bodies."

On the MNLF's plan to bring the war to Manila, Hashim said, "as (a) revolutionary organisation and as revolutionaries, steps or strategies (have) to be adopted ... one of which is to strike at the enemy wherever you are, and that includes Manila," he added.

The government and the Muslim rebels are deadlocked over differing interpretations on the areas to be covered by political autonomy, the price for ending the 15-year rebellion by the Muslim minority.

Hashim said the MNLF was sticking to its demand of autonomy for all 23 provinces.

"Because of this we suggested to the government panel that we should agree first on the territory before we could talk on any other issue concerning the proposals," he added.

In adopting the resolution calling for the retention of Tapia, the Zamboanga City Council said the people "have faith and confidence in Tapia to protect and sustain peace in the region."

City Government Officer-in-Charge Rustico Varela called the emergency meeting after receiving reports that the MNLF is making strong representations with Malacanang for Tapia's release as Southcom chief.

Copies of the resolution were furnished Defense Secretary Rafael Ileto, Gen. Fidel V. Ramos, AFP [Armed Forces of the Philippines] chief, Pelaez and the 24 administration senatorial candidates.

Autonomy Stance Softening

HK161519 Manila THE MANILA CHRONICLE in English 16 Apr 87 pp 1, 5

[By staff member Raissa E. Robles]

[Text] The Moro National Liberation Front (MNLF), softening its tough stance on self-rule for the south, yesterday proposed that 10 of the 23 provinces it wants for autonomy "be subjected to democratic processes."

The proposal was announced by MNLF chief negotiator Habib Hashim in a joint press conference with government chief negotiator Ambassador Emmanuel Palaes at the Development Academy of the Philippines in Pasig.

The MNLF originally wanted all 23 automatically included in the Muslim autonomous regions. The 13, which it said will "no longer be subjected to democratic processes," were the provinces covered by the Tripoli Agreement the Marcos government negotiated with the MNLF in Libya in 1976.

What "subjected to democratic processes" means, however, has yet to be agreed upon by the two panels. To the Government, it means a plebiscite. The the MNLF, if means consultations.

Provinces covered by the Tripoli Agreement were Basilan, Tawi-Tawi, Sulu, Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Maguindanao, Sultan Kudarat, Lanao del Sur, Davao del Sur, South Cotabato, Palawan as well as all their cities and towns.

The 10 other provinces are Misamis Oriental, Misamis Occidental, Camiguin, Bukidnon, Agusan del Norte, Agusan del Sur, Surigao del Norte, Durigao del Sur, Davao del Norte and Davao Oriental.

The Government earlier offered the MNLF an interim Preparatory Council for Regions 9 and 12 in which 10 of those provinces under the Tripoli Agreement, Palawan, Davao del Sur and Lanao del Norte are not in these regions.

A government source said the MNLF had previously not wanted to use the Tripoli Agreement as a basis for the peace talks.

Palaes, appearing pleased at the new development, thanked the MNLF panel, saying, "Without making any commitment on the points raised, we would be glad to exchange views on the points raised by the panel."

He added that the government panel "will examine these new proposals in the light of the constitutional provisions."

The matter of defining what "subjected to democratic processes" means would be threshed out in informal talks.

Palaes said that no date has yet been set for the resumption of the formal talks which had been suspended after a clash between the government and MNLF forces in Labatan, Zamboanga del Sur, last week.

The MNLF recognized May 9 as the deadline for the negotiations with the Government, Hashim said.

The MNLF may have softened its demand because of pressure from Islamic countries, notably Libya, Indonesia, Iraq, Saudi Arabia, Pakistan and to a certain extent Malaysia, government and diplomatic sources told the 'CHRONICLE'.

Representatives of these countries who have closely been following the talks see the Tripoli Agreement as the best option, one of the sources added.

Hashim stressed, however, that the MNLF would continue to use the controversial Jeddah accord of Jan. 3 as the primary basis for the talks.

The MNLF has insisted that with the Jeddah accord, the Government had committed itself to granting autonomy to 23 provinces. Pelaez and Pimentel have denied this.

Report Warns of Attacks

HK170931 Hong Kong AFP in English 0910 GMT 17 Apr 87

[Excerpts] Manila, April 17 (AFP) — Moslem insurgents of the Moro National Liberation Front (MNLF) are to carry out bombings, arson attacks and kidnappings in the capital, the official Philippine News Agency (PNA) reported Friday. The report came after the suspension of peace talks between the MNLF and the government, and MNLF leader Nur Misuari's warning this week that "if there should be war, its dimension will not be limited to former areas."

PNA quoted an unidentified senior military official in Manila as saying that a 100-man MNLF force "could well be on its way" and may probably get the support of an estimated 50,000 Moslems residing in Quiapo District here. The official reportedly said government officials were among the MNLF's kidnapping targets, but gave no names, PNA said. MNLF information officer in Manila Nahdin Jubaira dismissed the reports, saying: "That's preposterous. We are still negotiating with the Philippine Government. Why should we sabotage the negotiations?"

The MNLF panel moved for a temporary suspension of the talks last week amid reports of fighting between Moslem rebels and government soldiers in Zamboanga Province, and its charges that the government panel allegedly reneged on its promise to grant full autonomy to 23 provinces in the south. Agapito Aquino and Aquilino Pimentel, who met with Mr Misuari in Jeddah in December for preliminary talks prior to the formal peace process, denied making the promise saying they only agreed to continue the negotiations, the MANILA CHRONICLE reported Friday. "Mr Masuari's perception is that full autonomy has already been promised. Our perception however, is that the talks were to continue on the proposal subject to democratic processes," they reportedly said in a joint statement.

In an earlier interview published in the same newspaper, Mr Masuari said the rebels had been "betrayed" and warned: "I want to prepare the people's mind that the MNLF will spread the flames of war to areas not touched before." [passage omitted]

President Corason Aquino's government has offered the MNLF 10 provinces that will be granted autonomy if approved by the people in a plebiscite. The PNA said the MNLF has been building up its firepower since the talks were suspended and that it received more than 2,000 weapons, including Soviet-made rifles and anti-tank rockets, last month.

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